

## UNCONFIRMED

### SWANSEA BAY UNIVERSITY HEALTH BOARD MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON THURSDAY, 12<sup>th</sup> MARCH 2020 AT 9.30AM IN THE MILLENNIUM ROOM, SBU HQ

<b>Present:</b>	Martin Sollis Tom Crick Nuria Zolle	Independent Member (in the chair) Independent Member Independent Member	
<b>In Attendance:</b>	Andrew Biston Darren Griffiths Neil Thomas Huw Richards Carol Moseley Jason Blewitt Pam Wenger Gareth Howells Len Cozens  Claire Mulcahy Des Keighan Craig Wilson Hazel Lloyd  Matt John  Sian Richards Carl Mustad Hilary Dover  Karl Bishop Simon Davies Janet Williams	Head of Accounting and Governance Interim Director of Finance and Performance Deputy Head of Internal Audit Deputy Director, Audit and Assurance Specialist Services Unit Wales Audit Office Wales Audit Office Director of Corporate Governance Director of Nursing and Patient Experience Head of Local Counter Fraud Services (Minute 08/20 to 09/20) Corporate Governance Officer Assistant Director of Strategy, Estates (Minute 20/20 to 21/20) Deputy Chief Operation Officer (Minute 16/20) Head of Patient Experience, Risk and Legal Services (Minute 23/20 to 24/20) Associate Director of Digital Services and Chief Digital Officer (Minute 14/20) Deputy Chief Information Officer (Minute 24/20) Head of ICT Operations (Minute 24/20) Unit Service Director, Primary Care and Community (Minute 26/20) Dental Director (Minute 26/20) Assistant Director of Strategy (Minute 22/20) Head of Operations, Mental Health and Learning Disabilities (22/20)	
<b>Minute</b>			<b>Action</b>
<b>08/20</b>	<b>CHANGE TO AGENDA ORDER</b>		
<b>Resolved</b>	The agenda order be changed and Item 6.1 be taken next – Counter Fraud Policy and Response Plan		
<b>09/20</b>	<b>COUNTER FRAUD POLICY AND RESPONSE PLAN</b>		
	The Counter Fraud Policy and Response Plan was <b>received</b> and <b>approved</b> . Len Cozens left the meeting.		
<b>10/20</b>	<b>WELCOME AND APOLOGIES FOR ABSENCE</b>		

	<p>Apologies were received from Dave Thomas, Wales Audit Office.</p> <p>Martin Sollis welcomed Darren Griffiths to his first Audit Committee as Interim Director of Finance and Performance.</p> <p>He also formally thanked Len Cozens for his ongoing hard work and support of the committee. This would be his last meeting as Head of Counter Fraud as he would soon be taking a role within Corporate Governance as Head of Compliance.</p>	
<b>11/20</b>	<b>DECLARATION OF INTERESTS</b>	
	Nuria Zolle advised that her spouse was employed by Wales Audit Office. He worked on national studies and he did not have involvement in the Swansea Bay University Health Board specific audits.	
<b>12/20</b>	<b>MINUTES OF THE MEETING ON 21<sup>st</sup> NOVEMBER 2019</b>	
	<p>The minutes of the meeting held on the 21<sup>st</sup> November 2019 were <b>received</b> and <b>confirmed</b> as an accurate record.</p> <p>The briefing note for the postponed meeting on the 16<sup>th</sup> January 2020 was <b>received</b> and <b>noted</b>.</p>	
<b>13/20</b>	<b>MATTERS ARISING</b>	
	There were no matters arising not otherwise on the agenda.	
<b>14/20</b>	<b>ACTION LOG</b>	
	<p><u>Action Point 1</u></p> <p>Gareth Howells advised that the monitoring of long waiting patients was now incorporated into performance and clinical reviews. Martin Sollis added that the clinical prioritisation was the key factor in order to avoid unnecessary harm to patients.</p> <p><u>Action Point 2</u></p> <p>Martin Sollis advised that the update on Contract Management was open and the committee would require an update in due course. Pam Wenger added that she would speak to Darren Griffiths separately with regards to the previous conversations with the Head of Procurement on the development of awareness sessions in this area.</p>	
<b>Resolved:</b>	- The action log be <b>noted</b> .	
<b>15/20</b>	<b>WORK PROGRAMME 2019/20</b>	
	<p>The work programme for 2019/20 was <b>received</b> and <b>noted</b>.</p> <p>Martin Sollis stated that the work programme would need to be reviewed in order to target specific areas highlighted within the KPMG review.</p>	
<b>16/20</b>	<b>STATUS OF OVERDUE RECOMMENDATIONS: CHIEF OPERATING OFFICER</b>	

	<p>Craige Wilson was welcomed to the meeting.</p> <p>A report providing an update on the status of overdue recommendations for the Chief Operating Officer was <b>received</b>.</p> <p>In discussing the report the following points were made;</p> <p>Craige Wilson advised that over the last two months as part of the process to update and potentially close down some actions, he had been undertaking a process of information gathering and chasing responsible officers. This had been challenging due to the amount of longstanding actions and in many cases the organisation had moved on in terms of agreed recommendations and persons responsible.</p> <p>Nuria Zolle highlighted that there needed to be a clear timeframe for the completion of actions and also an accountability framework. She also stated that there needed to be an understanding of the background for the recommendations. Martin Sollis concurred stating that recommendations are agreed by Officers and then not being delivered. The organisation does not have a good reputation on delivery and learning lessons. He requested an update at the next committee, with a focus on high-risk areas in particular those that related to patient safety. Concerning the low risk issues, he stated that there needed to be a position statement in relation to any old and non extant recommendations so that they could be cleared. He asked Internal Audit to help do this to ensure the numbers were reduced appropriately.</p> <p>Pam Wenger informed that a cleansing exercise had taken place last year which focused on the clearing of old recommendations. She stated that this could be carried out again and offered support to Craige Wilson.</p> <p>Darren Griffiths commented that he understood the infrastructure issues within the team and stated he would also support Craige. They undertook to meet outside of committee to discuss.</p> <p>Huw Richards added that a follow up exercise would be undertaken in terms of the infrastructure recommendations and there would be a better insight into the outstanding recommendations when this was also completed.</p>	<b>CW</b>
<b>Resolved:</b>	<ul style="list-style-type: none"> <li>- An update at the next committee, with a focus on high risk areas in particular those that related to patient safety.</li> <li>- The report be <b>noted</b>.</li> </ul>	<b>CW</b>
<b>17/20</b>	<b>WALES AUDIT OFFICE REPORTS INTO PUBLIC SERVICES BOARDS AND INTEGRATED CARE FUND.</b>	
	<p>A report providing an update on the work done in response to the Wales Audit Office (WAO) reports into the Public Service Boards and the Integrated Care Fund was <b>received</b>.</p> <p>In introducing the report, Martin Sollis advised that he was pleased with the comprehensive report and it was clear this had been taken through the partnership arrangements in an appropriate way. He stated that he could take assurance that the health board was responding to the recommendations set out within reports. Pam Wenger advised that the</p>	

	report provided assurance that the health board does take our responsibility in partnerships seriously.	
<b>Resolved:</b>	- The report be <b>noted</b> .	
<b>18/20</b>	<b>CHANGE TO AGENDA ORDER</b>	
<b>Resolved</b>	The agenda order be changed and item 2.6 be taken next – Major Trauma Governance Framework.	
<b>19/20</b>	<b>MAJOR TRAUMA NETWORK GOVERNANCE FRAMEWORK</b>	
	<p>A report providing an update on the Major Trauma Network Governance Framework was <b>received</b>.</p> <p>In introducing the report, Pam Wenger highlighted the following points;</p> <ul style="list-style-type: none"> <li>- The health board was hosting the operational delivery network for the Major Trauma Network and a key priority was that the health board was safeguarded;</li> <li>- Work was in progress on a robust document for the governance arrangements which will be put in place on the 1<sup>st</sup> April;</li> <li>- It had been an iterative process, WHSSC has developed a service specification and this was being worked through currently.</li> <li>- The draft document had been through the Major Trauma Network, Board Secretaries and the Audit Committee have been presented with the draft for views prior to the submission to the Board.</li> </ul> <p>In discussion of the report, the following points were made;</p> <p>Martin Sollis stated that he was pleased to see this memorandum of understanding and it was good that the health board were ensuring the safeguarding and governance arrangements beforehand, He queried whether there had been any comments from other organisations, in which Pam Wenger replied only Powys, all other health boards had different processes.</p> <p>Martin Sollis stated that he was assured by the report to see that the health board would not be responsible for the clinical governance and that this would fall to individual organisations. He added that the document was more about the Operational Delivery Network team and ensuring they are fulfilling that role. Pam Wenger replied that an update would be provided regularly to the Quality and Safety Committee in terms of the clinical governance aspects.</p> <p>Martin Sollis advised that he felt that the document was fit for purpose and suggested it be approved. This was agreed.</p>	
	- The committee <b>approved</b> for submission to the Board.	
<b>20/20</b>	<b>WATER SAFETY MANAGEMENT REPORT</b>	
	<p>Des Keighan was welcomed to the meeting.</p> <p>A report providing an update on the progress to address the internal audit</p>	

	<p>report on water safety management was <b>received</b>.</p> <p>Martin Sollis requested that the paper was taken as read and he requested members comments. The following points were raised;</p> <p>Des Keighan referred to the lack of assurance in relation to Legionella, he advised that they had initiated more testing in high risk areas, focussing on one high risk area per month, more specifically within contracted areas or areas where work was being undertaken. There was not enough resources to carry this testing out in all areas, but high risk areas were being given priority.</p> <p>Gareth Howells added that a system of assurance had been set up and the Health and Safety Assurance Group established which would cover key priority areas including water, fire safety and COSHH (Control of Substances Hazardous to Health). This would commence from April. The model had been taken from best practice from other NHS trusts and the Health and Safety Committee would receive assurance reports from this group. Martin Sollis and Nuria Zolle advised that they felt assured that there was a focus in this area. Gareth Howells further advised that a deep dive on Water Safety should take place through the Health and Safety Committee and undertook to arrange this.</p> <p>Tom Crick added that there needed to be a clarity of reporting, and accountability for the health and safety of patients. In cases of concern, what were the lines of accountability and what assurance and what controls were in place to ensure that there were no risks around patient harm in terms of water supply.</p> <p>Des Keighan advised that an independent audit had taken place with Welsh Water and two areas for improvement were advised; ensuring that competent persons were appointed in terms of the RP (Responsible Persons) and AP (Authorised Person) and ensuring there was clinical representation on the Water Management Group, both of these had been addressed. Concerning testing, over 6000 water tests are carried out per month but there is not enough resource to carry out the full recommended amount so there is a prioritisation in terms of risk areas. There was a resource issue in which the requirement was to have eighteen authorised officers as a minimum but currently the health board has only five, he advised that work was underway to remodel the workforce.</p> <p>Des Keighan further advised that work was underway with the risk management team in terms of mapping risks on the Datix system, this would further enhance the escalation process and the link with the corporate risk register. Martin Sollis added that board needed awareness of the level of risk and there was also a need for there to be an appropriate oversight of the issues to ensure that major risks are escalated and flagged to the Chief Executive as the Legally responsible Officer in this area.</p> <p>In summary, Martin Sollis added that he felt comfortable with the processes that were underway but stated that the deep dive in water safety was paramount and there needed to be an openness and transparency on the level of risk. Ensuring no harm to patients was the key priority.</p>	<p><b>GH</b></p>
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<b>Resolved:</b>	<ul style="list-style-type: none"> <li>- Deep Dive of Water Safety to be undertaken by the Health and Safety Committee.</li> <li>- The report be <b>noted</b>.</li> </ul>	<b>GH</b>
<b>21/20</b>	<b>UPDATE ON CAPITAL SYSTEMS: FINANCIAL SAFEGUARDING AUDIT: ESTATES</b>	
	<p>A report providing an update on the progress within Estates on the Financial Safeguarding Audit was <b>received</b>.</p> <p>Des Keighan highlighted the following points;</p> <ul style="list-style-type: none"> <li>- Since the audit, managers have been reminded of the need to ensure that contracts are in place for orders over £25k, the department will work with Capital colleagues to ensure this;</li> <li>- In terms of financial vetting prior to entering into contracts above £25k, the department were working with procurement to establish an appropriate system to provide a level of assurance;</li> </ul> <p>In discussing the report the following points were made;</p> <p>Pam Wenger advised that within the recent audit report, an indication was made that there was a potential breach of standing financial instructions and standing orders. The report was requested in order to discuss this and there needed to be view from the Director of Finance on whether this was the case, and whether we are satisfied with the measures put in place. From a governance perspective we will need to establish whether this is indicated within our end of year governance reporting. Martin Sollis added that when previously discussed there had been a sense of general non-compliance with procedures but the report suggests that apart from those areas discussed that suitable controls were built in and staff were generally compliant.</p> <p>Des Keighan made reference to urgent matters such as Ward 12 and the Theatre failure advising that action was taken in order to progress urgently, he assured the committee that the senior team reported such urgent cases upwards at all times and then contracts are then put in place afterwards. Martin Sollis added that Standing Orders and Standing Financial Instructions were put in place to protect the organisation and individuals. In urgent cases, he understood that colleagues would need to take a judgement but there must be assurance that this was reported and all decisions documented.</p>	
<b>Resolved</b>	The report be <b>noted</b> .	
<b>22/20</b>	<b>PERINATAL MENTAL HEALTH UNIT</b>	
	<p>Simon Davies and Janet Williams were welcomed to the meeting.</p> <p>A report outlining the position in relation to establishing the Perinatal Mother and Baby Unit at Tonna Hospital was <b>received</b>.</p> <p>In introducing the report the following points were made;</p> <ul style="list-style-type: none"> <li>- The Health Board received a letter from Welsh Government confirming their commitment to establishing a permanent Mother &amp;</li> </ul>	

	<p>Baby Unit in Wales at the earliest opportunity;</p> <ul style="list-style-type: none"> <li>- Concerns about the timescales for the proposed delivery of the Unit that was planned to be developed on the Neath and Port Talbot (NPT) Hospital site were known. Given the extended timeframe the Minister instructed the Health Board to proceed with a previously discounted interim option at Tonna Hospital;</li> <li>- It was indicated that capital funding could be made available to ensure this would happen and the Health Board received formal approval from Welsh Government (WG) for £1.496m</li> <li>- This funding allocation was awarded to the Health Board without the Board or Officers having submitted a formal business case or any other formal paper to WG.</li> </ul> <p>In discussing the report, the following points were raised;</p> <p>With regards to the interim arrangement at Tonna Hospital, Martin Sollis queried whether this had been included and was consistent with the organisational plan. Janet Williams advised that WHSSC had requested expressions of interest from health boards for the Mother and Baby Unit in Wales. The health board put forward two proposals; one at Tonna Hospital as a short-term arrangement and one at NPT for the longer term. The decision was made that the short-term option was actioned immediately within a 12-month timescale.</p> <p>Nuria Zolle queried whether there had been a community engagement process surrounding the decision to hold at Tonna. Janet Williams advised that the Community Health Council (CHC) had been made aware. She advised that the community in that area viewed putting services onto the Tonna Hospital site as a positive. Martin Sollis sought further assurance on the consultation aspect of this and Simon Davies undertook to link with the Director of Strategy on this.</p> <p>Martin Sollis raised a number of overall concerns about the arrangement. He stated that he needed assurance that the Accountable Officer was fully sighted and satisfied that this was achievable particularly within the timescales. There needed to be assurance on the public consultation process; assurance that the Unit would be fit for purpose for patients; assurance that the delivery within the 12 month timescales was possible, as this would pose a reputational risk to the health board and also that this was viewed as ensuring value for money for the health board. Simon Davies provided assurance that they were comfortable in terms of the design and the timeframe set and these were both achievable. In terms of the awareness of the Accountable Officer, it was advised that this would need to go through the Executive Board to cover this off.</p> <p>Carol Moseley raised a point concerning demand capacity modelling and whether there was awareness before the expressions of interest were put forward. Janet Williams informed that the health board were aware that Welsh Health Specialised Services Committee (WHSSC) had undertaken a piece of work which looked at demand and also unmet demand in this area.</p>	
<b>Resolved :</b>	<ul style="list-style-type: none"> <li>- Assurance to be sought via the Director of Strategy with regards to the public consultation process that has been undertaken</li> </ul>	<b>SHG</b>

	<p>surrounding the unit at Tonna Hospital and other observations raised;</p> <ul style="list-style-type: none"> <li>- The report be <b>noted</b>.</li> </ul>	
<b>23/20</b>	<b>HEALTH BOARD RISK REGISTER</b>	
	<p>Hazel Lloyd was welcomed to the meeting.</p> <p>A report informing the audit committee of the risks from the health board risk register was <b>received</b>.</p> <p>In introducing the report, Hazel Lloyd highlighted the following points;</p> <ul style="list-style-type: none"> <li>- Executive Directors/nominated deputies updated their risk entries on a monthly basis;</li> <li>- There was ongoing Executive engagement and the risk register had been taken to Senior Leadership Team in which Units were comfortable that these were the main risks facing them;</li> <li>- There were a total of 35 HBRR risks of which 17 risks are rated as 20 or 25;</li> <li>- There were a total of 6 new risks: <i>CTG interpretation; SACT treatment; Radical Radiotherapy Treatment; Pandemic Framework; CAMHS and National Data Outages;</i></li> <li>- There was one closed risk - <i>Bridgend Boundary Change</i>.</li> <li>- The Audit Committee was the overarching committee which had responsibility for the oversight of the complete health board risk register;</li> <li>- The report set out some suggestions made by Performance and Finance Committee for Audit Committee to consider;</li> </ul> <p>In discussing the report, the following points were raised;</p> <p>Regarding the suggestion made by Performance and Finance Committee that <i>Unscheduled Care (USC)</i> was reported to them as well Quality and Safety Committee, Gareth Howells commented that there needed to be a focus in terms of cross over and clarity of which components which committee would discuss.</p> <p>Martin Sollis stated that USC was a big issue and felt that the Board needed to take leadership in that context. There needed to be whole organisational approach until it was resolved as USC had a knock on effect to a number of other key health board risks. Pam Wenger added, that there needed to be clarification on what are <i>risks</i> and what are <i>issues</i>. She did not recommend that the split between the committees, advising that this would not be good governance. She stated that USC, Brexit and Coronavirus are business continuity 'issues'. She further stated that there had to be a lead committee for the individual risk and they can be reported to multiple committees but ownership was fundamental.</p> <p>Hazel Lloyd stated that there was good progress within the unit's escalation process. Martin Sollis added that it was good to see the Ward to Board process was progressing. He stated he would expect the lead executive for the particular risk area i.e. Medicine, Nursing etc. to be well</p>	



	<p>sighted and comfortable with the risks coming through at a corporate level. Hazel Lloyd assured that the sign off by the executive lead was part of the process.</p> <p>Concerning, Coronavirus, Gareth Howells stated that this was a new and dynamic situation and the board needed to take stock in terms of assurance and risk assessment. Martin Sollis replied stating this was a board level discussion and this would be taking place at the scheduled Special Board on the 16<sup>th</sup> March 2020.</p>	
<b>Resolved:</b>	<ul style="list-style-type: none"> <li>- The committee accepted the 6 new risks on the health board risk register;</li> <li>- The report be <b>noted</b>.</li> </ul>	
<b>24/20</b>	<b>DIGITAL RISKS</b>	
	<p>Matt John, Sian Richards and Carl Mustad were welcomed to the meeting. A report providing an update on digital risks was <b>received</b>.</p> <p>Martin Sollis requested that the report be taken as read and requested members comments.</p> <p>Nuria Zolle made reference to a point within the report in relation to paper record storage and the behavioural changes required within the organisation. Matt John replied that it was a huge agenda to digitally transform, it was 20% about the technology and 80% about the people. Behavioural changes were fundamental. It was a challenge within the health board and worldwide within the health sector due to the complexity and business pressure associated with key roles and hence the ability to be able to cater for staff time to adopt the new ways of working and to sustain them. He stated it was a continual process and there was good partnerships with colleagues in the services and close relations with units in order to sustain the changes already in place.</p> <p>Martin Sollis made reference to the risks of the various programmes underway within digital agenda, he sought assurance on where they were being managed and the whether they needed to be higher on the health board risk register and raised at board level. Matt John informed that all risks were considered at the Programme Board. He gave an example in WCCIS (Welsh Community Care Information System) in which a plan was in place to address the risks and when it was the correct time the score would be increased. Martin Sollis stated he gained assurance that this was covered at the programme board and would be escalated if required.</p> <p>Tom Crick made reference to the national risks and queried the Board's visibility of these areas. Concerning the <i>cyber security</i> risk he asked what mitigations were in place at a national level. He stated that it was complex and relied heavily on the mitigations carried out at a national level. Pam Wenger commented that in her role as SIRO there were concerns in terms of this and there needed to be a full understanding of the risk. She undertook to meet with the Cyber Security Lead for the health board and Tom Crick to discuss further. Sian Richards added that she could assure that the Information Governance Group had a level of understanding but</p>	<b>PW/TC</b>

	<p>not a level of confidence in this area. Martin Sollis added that as the risk had a score of 20, the Audit Committee needed to advise the Board appropriately and provide a level of assurance on it. He requested a report be provided on this for Board.</p> <p>Nuria Zolle made reference to the <i>national data centre</i> risk, highlighting the significant issues there, she queried whether the Board had been updated on this. Matt John replied that there were many elements to this risk and maintaining this score level was primarily due to the NHS Wales Informatics Service (NWIS) systems outages. Martin Sollis asked whether the risk could be more specific and separated out. Carl Mustad replied stating that an assessment would be carried out after September once the new infrastructure had been put in place.</p> <p>In terms of the two highest risks and the reliance on national systems, Tom Crick queried what was in the power of the health board to mitigate and shift the risks. He stated the health board needed assurance from those bodies of which we hold service level agreements with.</p> <p>In summary, Martin Sollis stated that he was confident with the internal programme management and that digital risks were being monitored via this route. Regarding the two corporate risks, he stated he needed assurance that everything possible was being carried out to mitigate. For cyber security, he requested a report for board on the work being carried out on this. In terms of the national data centre, he stated that he needed to gain assurance that a risk management process was being carried out by the body itself. There needed to be an assurance report, highlighting what was being done to mitigate the risks that were managed on our behalf and this should be requested once the new infrastructure was put in place.</p> <p>Regarding recent outages, Tom Crick raised his concerns stating that if the aspiration in Wales is to have an integrated digital health and social care system, then a number of issues in this area must be addressed, with more visibility for health boards. Matt John informed that Welsh Government would be establishing the replacement of NWIS and there would be a new governance model in place. Welsh Government would be the authority and the delivery across Wales would be led by them.</p>	<b>MJ</b>
<b>Resolved:</b>	<ul style="list-style-type: none"> <li>- Pam Wenger and Tom Crick to meet to review the health board's Cyber Security risk.</li> <li>- A report on Cyber Security be prepared for the board;</li> <li>- The report be <b>noted</b>.</li> </ul>	<b>PW/TC</b>          <b>MJ</b>
<b>25/20</b>	<b>CHANGE TO AGENDA ORDER</b>	
<b>Resolved:</b>	The agenda order be changed and Item 7.1 be taken next - General Dental Services FP17 Report	
<b>26/20</b>	<b>GENERAL DENTAL SERVICES – MULTIPLE FP17 REPORT</b>	
	<p>Hilary Dover and Karl Bishop were welcomed to the meeting.</p> <p>A report providing an update on the General Dental Services - Multiple</p>	

	<p>FP17 reports was <b>received</b>.</p> <p>In discussion of the report, Martin Sollis requested that the report be taken as read and requested comments from members.</p> <p>Martin Sollis advised that analytical work had been undertaken and legal advice sought, in which the Board were advised not to pursue the multiple cases. He stated this was a potential loss to the public purse and this was down to a management failure in which actions were not pursued following the local counter fraud team's analysis during 2015/16 and 2016/17. The reason the Board had been advised against legal action was due to the likelihood of there being a low success rate and also due to the reputational risk to the health board.</p> <p>Martin Sollis sought assurance that lessons had been learned in this respect and this would not happen again. There was a need to ensure this formed part of counter fraud plan for the health board and that the Counter Fraud Team worked closely with the Primary Care and Community (PCC) Unit to identify any future potential cases that management would need to take forward.</p> <p>Hilary Dover replied stating that the cases dating from 2015 were before the PCC Unit structure and since then, effective governance arrangements have been put in place. She referred to section 2.2 of the report, which highlighted all the elements that have been reviewed in order to strengthen the governance structure since 2015. A key element was the change to FP17 monitoring in which a number of systems and processes had been implemented.</p> <p>Martin Sollis thanked them both for the comprehensive report, adding he could now take assurance that lessons had been learned from this and it would not occur again.</p>	
<b>Resolved:</b>	The report be <b>noted</b> .	
<b>27/20</b>	<b>CHANGE TO AGENDA ORDER</b>	
<b>Resolved:</b>	The agenda order be changed and Item 4.1 be taken next – Wales Audit Office Progress Report	
<b>28/20</b>	<b>WALES AUDIT OFFICE PROGRESS REPORT</b>	
	The Wales Audit Office progress report was <b>received</b> and <b>noted</b> .	
<b>29/20</b>	<b>WALES AUDIT OFFICE – AUDIT PLAN 2020</b>	
	<p>The Wales Audit Office Audit Plan for 2020 was <b>received</b>.</p> <p>In introducing the Audit Plan, Jason Blewitt and Carol Moseley highlighted the following points;</p> <ul style="list-style-type: none"> <li>- Mike Usher would now be joining the financial audit team replacing Anne – Marie Harkin;</li> <li>- The fee for the financial audit had decreased by £20k to £225k and also reflected a £9.2k refund for 2019;</li> <li>- The fee for performance audit work for 2020 amounted to £166k,</li> </ul>	

	<p>giving a total fee for the both elements of work of £392k;</p> <ul style="list-style-type: none"> <li>- The performance audit work plan for 2020 comprised of; <i>NHS Structured Assessment; All Wales Thematic Reviews in unscheduled care (USC) and Welsh Health Specialised Services Committee (WHSSC) and also locally focussed audits.</i></li> </ul> <p>In discussion, the following points were made:</p> <p>As part of the All Wales thematic work, Carol Moseley advised that unscheduled care (USC) would be a key area of work and part of the process would involve a data capture in order to pin point where work should be focussed. USC was such a vast area and to avoid duplication they would be working alongside the Delivery Unit and Healthcare Inspectorate Wales.</p> <p>Regarding the structured assessment, Nuria Zolle questioned whether the health board was on par in terms of outstanding recommendations and asked if WAO colleagues could advise on how the health board could push on decreasing the number. Carol Moseley replied that the health board was not dis-similar from others and the key is ensuring there is assurance on whether the issue that raised the recommendations initially has been addressed, also ensuring the setting of a reasonable completion date.</p> <p>Pam Wenger added in terms of the Structured Assessment, the health board had received five recommendations in comparison to 2018 where 18 were received. Martin Sollis commented that he could sense improvements across the organisation nevertheless there were some basic issues which still need to be addressed.</p>	
<b>Resolved</b>	The report be <b>noted</b> .	
<b>29/20</b>	<b>AUDIT ENQUIRIES TO THOSE CHARGED WITH GOVERNANCE AND MANAGEMENT.</b>	
	<p>A report seeking endorsement of the response to the Wales Audit Office's audit enquiries to those charged with governance and management was <b>received</b> and <b>noted</b>, with the committee agreeing the letter.</p> <p>comments on the response be directed to the Head of Corporate Governance and the Head of Accounting and Governance outside of the meeting.</p>	
<b>Resolved:</b>	- The report be <b>noted</b> .	
<b>30/20</b>	<b>CHANGE TO AGENDA ORDER</b>	
<b>Resolved</b>	The agenda order be changed and item 4.1 be taken next - NWSSP Progress and Audit Assignment Summary	
<b>31/20</b>	<b>NHS WALES SHARED SERVICES PARTNERSHIP (NWSSP) INTERNAL AUDIT PROGRESS AND ASSIGNMENT SUMMARY</b>	
	A report setting out internal audit progress and completed assignment summaries was <b>received</b> .	

	<p>In introducing the reports, Neil Thomas highlighted the following points:</p> <ul style="list-style-type: none"> <li>- Four reports had been finalised with Executive Leads since the last meeting, two were in draft and ten were in progress;</li> <li>- Of the four final reports, one was a <i>substantial assurance</i> and three had a <i>reasonable assurance</i> rating;</li> <li>- The Workforce and OD Framework received a <i>substantial assurance</i> rating. DBS Checking, Nurse Rostering and Primary and Community Infrastructure Projects were assigned a <i>reasonable assurance</i> rating;</li> <li>- The committee were asked to approve the deferral of the following reviews for consideration in 2020/21; <i>Clinical Governance</i> and <i>Digital Strategy/Clinical Reporting (Business Intelligence)</i></li> </ul>	
<b>Resolved</b>	<ul style="list-style-type: none"> <li>- Deferral of the planned internal audit review of clinical governance and Digital Strategy/Clinical Reporting (Business Intelligence) for re-consideration within 2020/21 was <b>approved</b>.</li> <li>- The report be <b>noted</b>.</li> </ul>	
<b>32/20</b>	<b>INTERNAL AUDIT ANNUAL PLAN 2020/21 INCLUDING CHARTER</b>	
	<p>The internal audit annual plan for 2020/21 was <b>received</b>.</p> <p>In discussion of the plan, the following points were made;</p> <ul style="list-style-type: none"> <li>- The process undertaken to formulate the plan included Board member engagement, assessment of risk and the prioritisation of needs within agreed resources;</li> <li>- It included a mixture of new and follow up audits;</li> <li>- There would be an element of flexibility within the plan in order to provide contingency for key areas in need of review;</li> <li>- The strategic planning performance element of the plan reflected the nature of change within the organisation;</li> <li>- Discussions were underway with the Director of Finance and WAO with regards to the financial domain in order to align with the KPMG developments and recommendations;</li> </ul>	
<b>Resolved</b>	<ul style="list-style-type: none"> <li>- The internal audit plan for 2020/21 and the Internal Audit Charter was <b>approved</b>.</li> <li>- The report be noted.</li> </ul>	<b>NT</b>
<b>33/20</b>	<b>CHANGE IN AGENDA ORDER</b>	
<b>Resolved</b>	The agenda order be changed and item 6.1 - Finance Update be taken next.	
<b>34/20</b>	<b>FINANCE UPDATE</b>	
	<p>A verbal update on finance was <b>received</b>.</p> <p>Darren Griffiths highlighted the following points;</p>	

	<ul style="list-style-type: none"> <li>- There had been a deterioration of financial position in period 11, there was an in-month overspend of £1.119m, resulting in a cumulative overspend of £13.49m;</li> <li>- The year-end forecast deficit now stood at £16.3m;</li> <li>- The health board remained confident in the delivery of the year-end deficit £16.3m deficit;</li> <li>- The Capital Resource Limit (CRL) was on target;</li> <li>- The number of invoices paid within 30 days in February was above the 95% target, with in month performance being 95.29%. The performance in February resulted in the cumulative compliance for the year increasing slightly from 93.8% to 93.9%.</li> </ul>	
<b>Resolved</b>	The report be <b>noted</b> .	
<b>35/20</b>	<b>ANNUAL ACCOUNTS UPDATE</b>	
	<p>A report providing an update on the annual accounts process was <b>received</b>.</p> <p>In introducing the report, Andrew Biston highlighted the following points;</p> <ul style="list-style-type: none"> <li>- The key dates and milestones of the Annual Accounts Closure timetable was set out within the report;</li> <li>- The submission of draft accounts would take place on the 28<sup>th</sup> April with submission of audited accounts on the 29<sup>th</sup> May 2020.</li> <li>- There were no expected changes within the Manual for Accounts;</li> <li>- The Health Board plans to have 2 items of equipment held in off-site storage on the 31<sup>st</sup> March 2020;</li> <li>- IRFS 16 will supersede the IAS 17 leases from the 1<sup>st</sup> April 2020. Work has been carried out to establish the balance sheet impact and budgetary requirement, which has been estimated as an adjustment of around £26m between revenue and capital;</li> <li>- For GMS Contracts, there has been a change in schemes from QOF to QAIF therefore a new accrual formula has been proposed for 2019/20;</li> <li>- Retrospective Continuing Health Care (CHC) claims have reduced significantly partly due to the removal of the central team;</li> <li>- With regards to the early retirement provision, there had been a further change in the discount factor which has resulted in a £460k financial cost this year;</li> <li>- One permanent injury case has been approved resulting in a charge against the resource limit of £500k;</li> <li>- The 2019/20 year end accounts will be the first set of accounts prepared since the Bridgend Boundary Change;</li> </ul> <p>Martin Sollis thanked Andrew Biston for his hard work in the process and his high standards and comprehensive paper.</p>	

<b>Resolved;</b>	The paper was <b>noted</b> and the arrangements and approaches to the submission of the annual accounts were <b>approved</b> .	<b>AB</b>
<b>36/20</b>	<b>LOSSES AND SPECIAL PAYMENTS</b>	
	A report providing an update on the losses and special payments for the period 1 <sup>st</sup> August 2019 to 30 <sup>th</sup> November 2019 was <b>received</b> and <b>noted</b> .	
<b>37/20</b>	<b>NWSSP PROCUREMENT: SINGLE TENDER ACTIONS AND QUOTATIONS</b>	
	A report setting out Single Tender Action (STAs) and Quotations (SQAs) approved since the previous meeting was <b>received</b> and <b>noted</b> .	
<b>38/20</b>	<b>AUDIT REGISTERS AND STATUS OF RECOMMENDATIONS</b>	
	<p>A report providing an update in relation to audit registers and action plans was <b>received</b>.</p> <p>In introducing the report, Andrew Biston highlighted the following points:</p> <ul style="list-style-type: none"> <li>- The number of outstanding recommendations had increased during the period December 2019 to February 2020;</li> <li>- As at the 14<sup>th</sup> February 2020, 33 final internal audit reports had been issued, of which 7 had a limited assurance and 5 were without an assurance rating;</li> <li>- Of the internal audit recommendations, there were total 160 outstanding for the period and 28 of those were high priority recommendations;</li> <li>- Of the external audit reports issued, there were a total of 90 outstanding recommendations, 28 of which were of a high priority;</li> </ul> <p>In discussing the report, the following points were raised:</p> <p>Andrew Biston advised that further work was underway on looking at the processes of audit registers and there was a need to work both with internal audit and with Director of Corporate Governance to move this forward. There was also the need to push forward on the message of the importance of the deadlines for updating the registers. Pam Wenger and Andrew Biston undertook to meet outside of committee to discuss the future processes for the audit registers.</p> <p>Gareth Howells added that there needed to be a focus on the detail of the individual recommendations, looking at the context for example financial components, in order to provide clarity on the reasoning for being outstanding and there was the need for a process of cleansing. Nuria Zolle concurred adding that it was important to see the full picture and the clear processes. Gareth Howells advised that he would like to bring a paper to the committee in May outlining his progress in terms of outstanding recommendations.</p>	<p><b>PW/AB</b></p> <p><b>GH</b></p>
<b>Resolved:</b>	<ul style="list-style-type: none"> <li>- Gareth Howells to report on the progress of outstanding recommendations at next committee.</li> </ul>	<b>GH</b>

	- Pam Wenger and Andrew Biston to meet outside of committee to discuss the future process for completion of audit registers.	<b>PW/AB</b>
<b>39/20</b>	<b>GOVERNANCE WORK PROGRAMME</b>	
	The governance work programme was <b>received</b> and <b>noted</b> by the committee.	
<b>40/20</b>	<b>STANDARDS OF BUSINESS CONDUCT POLICY</b>	
	The standards of business conduct policy was <b>received</b> and <b>noted</b> .	
<b>41/20</b>	<b>AUDIT COMMITTEE SELF-ASSESSMENT AND TERMS OF REFERENCE</b>	
	The audit committee self-assessment results and terms of reference were <b>received</b> and noted, with members being content to approve the terms of reference subject to the assignment of fourth independent member to the membership.	
<b>42/20</b>	<b>ANY OTHER BUSINESS</b>	
	There was no further business and the meeting was closed.	
<b>43/20</b>	<b>NEXT MEETING: 15th May 2020</b>	