

Swansea Bay University Health Board  
Unconfirmed  
**Minutes of the Meeting of the Audit Committee**  
**held on Thursday, 10th March 2022 at 9.30am**  
**Microsoft Teams**

**Present:**

Nuria Zolle	Independent Member (in the Chair)
Keith Lloyd	Independent Member
Tom Crick	Independent Member
Jackie Davies	Independent Member

**In Attendance:**

Andrew Biston	Assistant Director of Finance - Accounting and Governance (From minute 56/22)
Len Cozens	Head of Compliance
Osian Lloyd	Deputy Head of Internal Audit
Sara Utley	Audit Wales
Dave Thomas	Audit Wales
Hazel Lloyd	Acting Director of Corporate Governance
Simon Cookson	Director of Audit and Assurance
Claire Mulcahy	Corporate Governance Manager
Gareth Howells	Director of Nursing and Patient Experience
Richard Evans	Medical Director (until minute 47/22)
Paul Mapson	Special Advisor
Carl Mustad	Head of ICT Operations (Minute 51/22)
Keir Warner	Head of Procurement (Minute 49/22 and 58/22)

Minute No.		Action
<b>38/22</b>	<b>APOLOGIES</b>	
	The following apologies were noted: Darren Griffiths, Director of Finance and Performance, Sian Harrop-Griffiths; Matt John, Director of Digital; Paul Mapson, Special Advisor and Patricia Price, Independent Member	
<b>39/22</b>	<b>WELCOME / INTRODUCTORY REMARKS</b>	
	The chair welcomed everyone to the meeting.	
<b>40/22</b>	<b>DECLARATION OF INTERESTS</b>	

	There were no declarations of interest.	
<b>41/22</b>	<b>MINUTES OF THE PREVIOUS MEETING</b>	
<b>Resolved:</b>	The minutes of the meeting held on 19 <sup>th</sup> January 2022 were <b>received</b> and <b>confirmed</b> as a true and accurate record.	
<b>42/22</b>	<b>MATTERS ARISING</b>	
	There were no items raised under matters arising.	
<b>43/22</b>	<b>ACTION LOG</b>	
<b>Resolved:</b>	The action log was <b>received</b> and <b>noted</b> .	
<b>44/22</b>	<b>WORK PROGRAMME</b>	
<b>Resolved:</b>	The work programme was <b>received</b> and <b>noted</b> .	
<b>45/22</b>	<b>PROGRESS TO DEVELOP A QUALITY MANAGEMENT SYSTEM</b>	
	<p>A report setting out the work in response to the Audit Wales review of quality governance and the internal audit of the quality and safety framework was <b>received</b>.</p> <p>In introducing the report, Hazel Lloyd highlighted the following points:</p> <ul style="list-style-type: none"> <li>- During 2021-22, two audits were undertaken of quality and governance arrangements: Audit Wales quality governance review and Internal audit review of the quality and safety framework as well as an internal review of quality governance in the Service Groups.</li> <li>- Following the reviews a number of areas for improvement were identified as well as areas of good practice;</li> <li>- Work to develop a robust quality management system and to address the recommended actions was underway via two externally facilitated workshops with senior teams;</li> <li>- The first of which took place on the 23<sup>rd</sup> February 2022, followed by an executive time-out on the 9<sup>th</sup> March 2022. The second workshop will take place on the 23<sup>rd</sup> March 2022;</li> </ul>	

- The plan for the 23<sup>rd</sup> March 2022 was to reinforce the governance structures within patient pathways, clinical effectiveness, patient outcomes and quality and safety;
- The committee could be assured that actions were being taken on the findings;
- There had been good engagement through forums such as Management Board and Executive Team;
- The aim was to return to Audit Committee following the next workshop with a fully developed plan to move forward;

In discussing the item, the following points were made:

Members were pleased that the outcome of the reviews had been taken seriously and were content for the developed plan to be received at Audit Committee following the next workshop.

Nuria Zolle made reference the report which stated that *there was currently a lot of focus on finance and performance targets and very little consideration of what these meant from a quality perspective*. She sought clarity on this and queried the role of the Board in enforcing this culture across the organization.

Gareth Howells responded that feedback of the sessions indicated that there was some focus on quality and not just performance and finance but work was need to ensure priorities are in line and good quality ultimately would lead to good performance and finance. Richard Evans added that what we would like to see highlighted more is the benefits accrued from improving quality and delivering services in the right way.

Dave Thomas commented that it was good to see the work moving forward and requested that following the next workshop, a formal response to the recommendations/action would be received. This was echoed by Internal Audit colleagues and made reference to the Welsh Government Framework, in which it would be beneficial for the response to also incorporate these recommendations. Gareth Howells advised that the next step was to get a full product of the plan and this would then form the management response to the reviews.

Sara Utley informed that a national report was being developed on quality governance and this would draw on national findings and learnings from all health boards in Wales.

In terms of assurance, Keith Lloyd requested whether findings from the Audit Wales review could be compared across all health board in Wales. Dave Thomas advised that this was not possible at present and the national report would indicate this later. He advised members that SBUHB was one of the

	<p>more challenging reviews and there were more areas for improvement in this health board compared to other health bodies.</p> <p>Nuria Zolle queried what a world class quality management system would look like and asked whether the University could support the health board in achieving this. Keith Lloyd advised that the University had a number of colleagues with skill in this area and would be happy to support the health board in any way required.</p> <p>Nuria Zolle referred this report to the Quality and Safety Committee and requested a further report which includes the management response be received at committee in May 2022.</p>	
<b>Resolved:</b>	<ul style="list-style-type: none"> <li>- Progress to develop a quality management system Report be referred to the Quality and Safety Committee;</li> <li>- A further report which includes the management response to the reviews be received at committee in May 2022.</li> <li>- The themes identified within the Audit Wales review, internal audit report and health board review were <b>noted</b>.</li> <li>- It was <b>noted</b> that the first quality workshop has taken place to discuss the ideas around a quality management system with the next workshop taking place on 23<sup>rd</sup> March 2022 to focus on designing the quality management system.</li> <li>- It was <b>noted</b> that a report will be shared with the board on 31<sup>st</sup> March to share the work to date as well as gain a steer from board members as their view on the direction of travel.</li> </ul>	<b>NZ</b>  <b>GH/RE/</b> <b>HL</b>
<b>46/22</b>	<b>AUDIT REGISTERS AND STATUS OF RECOMMENDATIONS</b>	
	<p>A report providing an update on audit registers and status of recommendations was <b>received</b>.</p> <p>In introducing the outstanding workforce and OD recommendations, Debbie Eyitayo highlighted the following points:</p> <ul style="list-style-type: none"> <li>- In August 2021, there were a number of outstanding recommendations and meetings took place with the Workforce and OD team to review which indicated a number of out of date recommendations in terms of context and relevance;</li> <li>- An example was the policy and procedure for European Working Time Directive in which since the audit took place, the new e-rostering process and system is in place and supports this. A policy/ guidance document had also been drafted and would be implementation in due course;</li> </ul>	

	<p>In discussing the item, the following points were made;</p> <p>Jackie Davies referred to the ESR roll-out and the health board's capacity to do so, highlighting the consultation underway at present and the need to resolve the team resource issues. Debbie Eyitayo concurred, adding that this was a very important action. Some resource had been identified to move forward on the ESR project but the approach needed review. A meeting with the Chief Executive and the Director of Finance had taken place on the all-Wales process due to be rolled out but it was important to ensure internal processes were in place. Expert resource was required to move forward on this.</p> <p>Tom Crick referenced the planning underway for post 2025 and the missed opportunity to reap the benefits of the full system. It was important to hit the ground running by ensuring the internal organizational requirements were in place. Discussion surrounding the ESR roll-out had been underway for some time and it was important that the health board made the most of the transition period to 2025 in order to reap the benefits of system in future years.</p> <p>In relation to the European Working Time Directive, Tom Crick queried where the detail around how this will be addressed in the wider context and where this would be considered and approved. Debbie advised that this would be looked at in light of new systems in place i.e. e-rostering and banks systems and it would be then considered at Workforce and OD Committee in the first instance.</p> <p>Tom Crick asked, in terms of these new systems, whether the health board felt happier with the data it was recording for staff, Debbie Eyitayo advised yes, the systems now gave better assurance and had been set up to stop rostering those staff who had worked over the limit.</p> <p>Paul Mapson commented that it was fundamental to ensure processes and basics are in place internally before the new system is implemented. Debbie Eyitayo agreed, this approach was being taken by ensuring the groundwork was carried out with the right resources in place.</p> <p>Nuria Zolle asked for confirmation that those PADR's that were overdue by one year or more were being prioritised and it was advised that they were and a report was due to Workforce and OD Committee in due course.</p> <p>Concerning DBS checks, Nuria Zolle queried what was being done to speed up checks. In terms of historical process, it was ensuring that all staff had clearance but the three-year rolling process had not been put in place as yet. Plans needed to be put in place and work to be done in this area, there were also some financial implications in which the Management Board would need to consider.</p>	
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	<p>In introducing the audit registers and status of recommendations, Len Cozens highlighted the following points:</p> <ul style="list-style-type: none"> <li>- The number of outstanding Audit Wales overdue recommendations was reducing and the reason for this movement was due to the extension of action deadline dates;</li> <li>- There had been a slight increase in overdue recommendations for NWSSP Audit and Assurance reports and recorded a total of 51 overdue recommendations;</li> <li>- Out of the 25 actions which had become overdue since the last report, 10 related to the Capital Systems report which was undertaken in November 2020 and received a reasonable assurance rating;</li> <li>- Assurance had been given that detailed work within Capital was underway to address the outstanding actions;</li> </ul> <p>In discussing the item, the following points were made:</p> <p>Nuria Zolle conveyed her disappointment for the overdue recommendations in relation to Capital but acknowledged the explanation for these. She requested that the following took place in relation to the registers; continue to flag to Chair and Executives, ensure there were no gaps in the commentary within the registers and some clearance work is undertaken in relation to context and relevance. Len Cozens gave his assurance that he would continue to work with Executive Colleagues to focus on the oldest, highest priority and limited assurance recommendations.</p> <p>Nuria Zolle would continue to liaise with Len Cozens and Hazel Lloyd outside the meeting regarding the content of the audit registers, in order to assist in determining which Executive Directors should be invited to present more detailed reports to the Committee in relation to their outstanding recommendations.</p>	
<b>Resolved:</b>	<ul style="list-style-type: none"> <li>- Len Cozens to review registers and recommend which Executive Director to be invited to next committee in relation to their outstanding recommendations.</li> <li>- The current position of the audit registers and the status of the action plans was <b>noted</b>.</li> </ul>	<b>LC</b>
<b>47/22</b>	<b>INTERNAL AUDIT ASSIGNMENT SUMMARY AND PROGRESS REPORT</b>	
	<p>The internal audit assignment summary and progress report was <b>received</b>.</p> <p>In introducing the report, Simon Cookson highlighted the following points:</p> <ul style="list-style-type: none"> <li>- There were 29 reviews in the internal audit Plan for 2021/22, of which 18 have been completed;</li> </ul>	

- In relation to key performance indicators, work was underway to address the report turnaround including the time taken for management response to draft report;
- Appendix A of the report provides an update against the 2021/22 plan and each of the reviews underway or completed;

In introducing the final internal audit reports, Osian Lloyd and Melanie Goodman highlighted the following:

*i. Mental Health Legislation Compliance;*

- The review received a reasonable assurance rating;
- A mapping exercise against legislation was required to demonstrate compliance;
- There were inconsistent reporting of training compliance and gaps in training needs across the health board. This needed high priority action;

*ii. Waste Management*

- The review received a reasonable assurance rating;
- A site visit took place to Morriston Hospital and one key matter arising was the need to review waste management procedural guidance;
- *There were five medium priority recommendations;*
  - The need to review out of date waste management procedural guidance;
  - Improvement of wider training delivery in respect of environmental awareness/recycling;
  - The reminding of relevant staff groups of established waste safety and segregation processes;
  - Reporting of the costs/benefits of the introduction of the offensive (tiger stripe) waste stream; and
  - Enhanced monitoring and reporting arrangements;
- The health board benchmarked well in terms of findings across Wales;

*iii. Planned Care Recovery*

- The purpose was to review the arrangements in place to recover performance on planned care and manage risk;
- The health board outlined a number of key actions within the Annual Plan to assist in the recovery;



	<ul style="list-style-type: none"> <li>- The report received a reasonable assurance rating. Overall, this was a positive report and internal audit colleagues were content with the management response;</li> <li>- There areas requiring management attention include;               <ul style="list-style-type: none"> <li>➤ Service group engagement and recovery plan monitoring within the Outpatients Redesign &amp; Recovery Group;</li> <li>➤ The Diagnostic Recovery Group Terms of Reference and GMO coverage;</li> <li>➤ The structure and reporting of the Surgery &amp; Theatres workstreams;</li> </ul> </li> </ul> <p><i>iv. Risk Management Framework/Board Assurance Framework (BAF)</i></p> <ul style="list-style-type: none"> <li>- Overall, this was a positive report and it was assigned a reasonable assurance rating;</li> <li>- Findings were consistent with the Audit Wales Quality Review and progress had been made since the last review;</li> <li>- There were four medium priority recommendations requiring management attention;               <ul style="list-style-type: none"> <li>➤ There were some anomalies and omissions in service group level risk registers;</li> <li>➤ The proliferation of risks being managed at the corporate level, some operational, some below the risk appetite;</li> <li>➤ A lack of evidenced regular review by sub-committees of BAF risk areas assigned;</li> <li>➤ The proliferation of enabling sub- objective evaluation tables in the BAF framework and a significant number of expired assurance gap action dates.</li> </ul> </li> </ul> <p>In discussing the item, the following points were made:</p> <p>In relation to the risk management framework/BAF review, Hazel Lloyd advised that this had been received positively and had allowed a revisit to both frameworks. A time-out session took place and steps were agreed to move both documents forward incorporating the internal audit findings. Discussion also took place at management board yesterday. She suggested to present the new Risk Register and BAF by the end of Quarter 1 in 2022/23.</p> <p>Nuria Zolle was pleased to see progress underway in the areas but noted the operational and strategic risks and the need for focus in these areas.</p>	
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	<p>In relation the BAF it was important to implement the learning set out in the review and undertook to feedback to sub-committee chairs the need to regularly review the BAF risk areas assigned.</p> <p>Nuria Zolle requested that the review in relation to Mental Health Legislative Compliance is referred through to Mental Health Legislation Committee for information.</p>	
<b>Resolved:</b>	<ul style="list-style-type: none"> <li>- The review in relation to Mental Health Legislative Compliance is referred through to Mental Health Legislation Committee for information.</li> <li>- In relation the BAF it was important to implement the learning set out in the review and undertook to feedback to sub-committee chairs the need to regularly review the BAF risk areas assigned.</li> <li>- The internal audit report was <b>noted</b>.</li> </ul>	<p><b>NZ</b></p> <p><b>NZ</b></p>
<b>48/22</b>	<b>INTERNAL AUDIT PLAN 2022/23 AND DRAFT INTERNAL AUDIT CHARTER</b>	
	<p>The internal audit plan 2022/23 and draft internal audit charter was <b>received</b>.</p> <p>In introducing the report, Osian Lloyd highlighted the following points:</p> <ul style="list-style-type: none"> <li>- The report sets out the Internal Audit Plan for 2022/23 and details the audits to be undertaken and an analysis of corresponding resources;</li> <li>- It also contained the Internal Audit Charter which defines the over-arching purpose, authority and responsibility of Internal Audit and the Key Performance Indicators for the service;</li> <li>- The planning had been a two-way process and meetings had taken place with Executives to discuss current of areas of risk. A session with Independent Members had also taken place;</li> <li>- Appendix A sets out the scope and timing of each audit;</li> <li>- The plan would be kept under review and would be flexible in terms of consideration for any emerging priorities for the health board.</li> </ul>	
<b>Resolved:</b>	The internal audit plan 2022/23 was <b>approved</b> .	
<b>49/22</b>	<b>BED POVERTY</b>	

A report detailing the proposals for how Swansea Bay University Health Board could help tackle the issue of bed poverty within its region was **received**.

In introducing the report, Keir Warner highlighted the following points:

- There would be a large number of surplus beds that are unsuitable for the acute or community health sector and these could be ideal to donate to families and those people in greatest need within our community;
- The paper sets out a proposal following engagement with local authority partners and local community network and the suggested solution involves providing surplus beds to local families in need and who are experiencing income and or housing poverty;
- The total number of surplus beds is 595 and were initially allocated as COVID-19 beds for use in the field hospitals;
- A Welsh Government requirement was to keep 330 of the surplus within the system as part of super surge facility but does not form part of 595 above;
- Welsh Government are fully supportive of this proposal. There would be no cost to the health board and all is in line with the Financial Control Procedure;
- The aim was to supplement this initiative with an intranet campaign for duvets, pillows and bedding;

In discussing the item, the following points were made:

Nuria Zolle congratulated the team on the innovative thinking in terms of the solution to the surplus beds.

Jackie Davies highlighted the struggle of some staff within the health board and queried whether there was an opportunity for them to purchase at a low cost. Keir Warner undertook to take this suggestion back to the working group for discussion and feedback to Jackie Davies.

Jackie Davies commented that caution was needed in terms of the communication with public and media and the potential of criticism of the underfunded NHS and wasting money. Keir Warner understood the sensitivity around this issue and assured that the communications team were part of the working group.

Jackie Davies queried whether the quality of these beds was good enough for home use if not suitable for use in the hospital or community setting.

	<p>In relation to the beds and mattresses, Gareth Howells sought assurance on the cleanliness and queried whether the infection control team had been involved in the process. Keir Warner assured members that these were brand new beds and had not been used. A basic clean would be undertaken but beds were in a good condition.</p> <p>Gareth Howells asked whether the health board's old beds had been scoped in terms of condition and whether these new beds could be used in place of old beds. Keir Warner advised that they were not suitable for use in secondary care setting and assured that old beds had already been replaced with existing stock over recent years.</p>	
<b>Resolved:</b>	<ul style="list-style-type: none"> <li>- Keir Warner undertook to take the suggestion of potential staff purchase of the beds, back to the working group for discussion and feedback to Jackie Davies.</li> <li>- The bed poverty proposals were <b>approved</b> and it was <b>agreed</b> to proceed with Chair's Action outside of committee to progress the proposal.</li> <li>- The report was <b>noted</b>.</li> </ul>	<b>KW</b>
<b>50/22</b>	<b>BOARD ASSURANCE FRAMEWORK</b>	
	<p>The Board Assurance Framework (BAF) was <b>received</b>.</p> <p>In introducing the report, Len Cozens highlighted the following points:</p> <ul style="list-style-type: none"> <li>- The Audit Committee has reviewed the BAF in November 2021 and since that meeting a detailed review had taken place to ensure There is clear alignment between the BAF and the Health Board Risk Register;</li> <li>- The content of the BAF reflects assurance received and agreed action stemming from NWSSP Audit &amp; Assurance and Audit Wales reports;</li> <li>- The document had been reviewed by Executive Leads and their teams and this report includes all updates received;</li> <li>- The BAF/Risk Management audit report was assigned a reasonable assurance rating and some areas were identified for improvement and would be taken forward;</li> <li>- Significant work was underway to link the BAF with the Recovery and Sustainability Plan.</li> </ul>	
<b>Resolved:</b>	The Board Assurance Framework was <b>noted</b> .	

51/22	<b>HEALTH BOARD RISK REGISTER AND CYBER SECURITY</b>	
	<p><b>i. Health Board Risk Register</b></p> <p>The Health Board Risk Register was <b>received</b>.</p> <p>In introducing the report, Neil Thomas highlighted the following points:</p> <ul style="list-style-type: none"> <li>- The report provided an update on risk as up to the 24<sup>th</sup> February 2022 and had been discussed at Management Board on the 9<sup>th</sup> March 2022;</li> <li>- Three new risks had been added to the Risk Register; <i>CRL and Capital Plan Risk</i>; <i>Risk of Closure of Burns Service</i> and <i>Release of Bed Capacity Savings</i>. Each of which had a current score of 20;</li> <li>- There were three risks rated over 25; <i>Access to Unscheduled Care</i>; <i>Access to Cancer Services</i> and <i>Health and Safety Infrastructure</i>;</li> <li>- Action being taken to address these risks were being taken forward by the lead Executive</li> <li>- The following risks were assigned to Audit Committee; <i>Sustained Clinical Services</i>, <i>Storage of Paper Records</i>, <i>Information Led Decisions</i>, <i>Controlled Drugs</i>; <i>National Data Centre Outages</i> and <i>Cyber Security</i>;</li> </ul> <p>In discussing the item, the following points were made:</p> <p>In relation to the <i>Risk of Closure of Burns Service</i> Nuria Zolle raised her concern surrounding the language used within the description and how it focused on reputational risk rather the impact on services users. She suggested that this is re-considered to reflect the impact on services users as the priority.</p> <p>Regarding the risk <i>Release of Bed Capacity Savings</i>, Nuria Zolle commented that she felt more discussion was needed on this risk at Board level.</p> <p>Keith Lloyd queried where Access to Cancer Services was considered and Hazel Lloyd advised this was covered at both Performance and Finance and Quality and Safety Committees and are then reported back to Board via Key Issues Reporting.</p> <p>Nuria Zolle noted the further consideration needed on the health board risk appetite.</p> <p><b>ii. Cyber Security</b></p>	

	<p>Carl Mustad was welcomed to the meeting and a verbal report on Cyber Security was <b>received</b>.</p> <p>In introducing the report, Carl Mustad highlighted the following points;</p> <ul style="list-style-type: none"> <li>- The Cyber Security Risk was currently assigned a risk score of 20;</li> <li>- It had been a recommendation of the National Cyber Security Centre (NCSC) to bolster cyber defenses in light of the current circumstances with Russian and Ukraine;</li> <li>- The health board currently uses Russian antivirus software and it was recommended that this be removed. Work was underway to action this;</li> <li>- The health board would be making use of Microsoft Licensing software in place of the above;</li> <li>- The health board servers also make use of the Russian Software and a plan was in place to replace;</li> <li>- Currently, tactical command and control procedures were underway via GOLD with 3x weekly reporting;</li> <li>- Members could be assured that significant work was underway with increased monitoring and detection;</li> <li>- It was recommended that the risk score of Cyber Security was increased to 25 from its current score of 20;</li> </ul> <p>In discussion, the following points were raised:</p> <p>Tom Crick commented on the concerns surrounding the affiliation of the Russian authorities and the above mentioned software. He queried both the health board's resources and resources on a national level to address this risk, highlighting the constant vigilance required.</p> <p>Carl Mustad informed that there was confidence in the plan to address. A national meeting took place daily to ensure NHS Wales organizations work closely together and the NCSC ensure that information is cascaded immediately and this is acted on.</p>	
<p><b>Resolved:</b></p>	<ul style="list-style-type: none"> <li>- Members <b>agreed</b> to the recommendation to increase the Cyber Security risk score to 25 from 20.</li> <li>- The health board risk appetite will require further consideration and adjustment/endorsement in Q1 of 2022/23 was <b>noted</b>.</li> <li>- The updated Health Board Risk Register and changes to the risks outlined in this report were <b>noted</b>.</li> <li>- Members <b>considered</b> whether further assurance is required in respect of risk register entries or the action taken to address risks identified</li> </ul>	

	<ul style="list-style-type: none"> <li>- The ongoing provision of risk management training to operational management was <b>noted</b></li> <li>- The development of the national risk management system module was <b>noted</b>.</li> </ul>	
<b>52/22</b>	<b>BOARD EFFECTIVENESS ACTION PLAN</b>	
	<p>The Board effectiveness action plan was <b>received</b>.</p> <p>In introducing the report, Len Cozens highlighted the following points:</p> <ul style="list-style-type: none"> <li>- The Action Plan had been reviewed by Executives and they had provided updates and amendments on action timescales;</li> </ul> <p>In discussing the item, the following points were made:</p> <p>In relation the development of the Quality dashboard, Nuria Zolle queried the revised timescale to May 2022 was achievable in terms of the timeframe. Len Cozens informed that there was confidence in the timeframe.</p>	
<b>Resolved:</b>	The progress made as detailed within the updated Board effectiveness assessment action plan was <b>noted</b> .	
<b>53/22</b>	<b>AUDIT WALES PERFORMANCE AND PROGRESS REPORT</b>	
	<p>The Audit Wales performance report was <b>received</b>.</p> <p>In introducing the report, Sara Utley highlighted the following points:</p> <ul style="list-style-type: none"> <li>- The Audit of the 2021-22 Accountability Report and Financial Statements was ongoing and would be completed by June 2022;</li> <li>- Exhibit 2, 3 and 4 of the report highlighted the performance work completed, currently underway and</li> <li>- Exhibit 4 informs of planned work not yet started or revised and includes a <i>Review of Unscheduled Care</i> and <i>Review of Service Group Governance Arrangements</i>.</li> </ul>	
<b>Resolved:</b>	The Audit Wales performance and progress report was <b>noted</b> .	
<b>54/22</b>	<b>AUDIT WALES PLAN AND FEES</b>	
	<p>A report detailing Audit Wales' plan and fees was <b>received</b>.</p> <p>In introducing the report, Dave Thomas highlighted the following points:</p>	

	<ul style="list-style-type: none"> <li>- The Audit Plan sets out planned performance and finance audit work for 2022/23;</li> <li>- Exhibit 1 highlighted the significant risk identified for the audit of financial statements;</li> <li>- The report set out the performance audit work underway and those that were postponed due to the pandemic;</li> <li>- Work on the NHS Structured Assessment would continue as well as the All-Wales Thematic work with a particular focus on the risks related to workforce both locally and nationally;</li> <li>- The Auditor General was consulting on priorities for future work with stakeholders;</li> <li>- The plan sets out the Audit Wales fees for the coming year of which there had been a small increase.</li> </ul> <p>In discussion of the report, the following points were raised:</p> <p>Nuria Zolle queried how Independent Members would respond to the Auditor General consultation and Dave Thomas advised that this would be carried out via all-Wales Board Secretaries and would be co-ordinate the response. The consultation would last around four weeks but could be extended if needed.</p>	
<b>Resolved:</b>	The report was <b>noted</b> .	
<b>55/22</b>	<b>WHSSC GOVERNANCE REVIEW AND MANAGEMENT REPORT</b>	
	A verbal update on the Welsh Health Specialised Services Committee (WHSSC) governance review and management report was <b>received</b> and <b>noted</b> .	
<b>Resolved:</b>	The verbal update was <b>noted</b> .	
<b>56/22</b>	<b>FINANCE UPDATE</b>	
	<p>Andrew Biston was welcomed to the meeting and provided a verbal update on the financial position. He highlighted the following points:</p> <ul style="list-style-type: none"> <li>- The financial position for month eleven stood at an in-month overspend of £1.705m which led to a cumulative deficit of £20.9m to date;</li> </ul>	



	<ul style="list-style-type: none"> <li>- The forecast £24.4m deficit remained and the health board had plans in place to utilize any slippage;</li> <li>- The health board was currently £1.4m under the required controlled deficit but there was confidence that this would be reached;</li> <li>- The key issues affecting the position included capacity for planned care recovery, workforce restraints and further funding received from Welsh Government.</li> </ul>	
<b>Resolved:</b>	The finance update was <b>noted</b> .	
<b>57/22</b>	<b>ANNUAL ACCOUNTS TIMETABLE AND PLAN</b>	
	<p>The annual accounts timetable and plan 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 date for the agreement of NHS Debtor and creditors balances had been amended to 8<sup>th</sup> April 2022 from the 11<sup>th</sup> April 2022 but all other deadlines remained the same as set out within the report;</li> <li>- The draft annual accounts would be received at Audit Committee on the 19<sup>th</sup> May 2022;</li> <li>- Final accounts would be considered at Board on the 8<sup>th</sup> June 2022 with final submission on the 15<sup>th</sup> June 2022;</li> <li>- The key issues to highlight to Audit Committee were as follows;</li> </ul> <p><b>i. Storage of Equipment</b></p> <ul style="list-style-type: none"> <li>- As of the 31<sup>st</sup> March 2022, there an estimate of seven new items of equipment to the held in off-site storage.</li> </ul> <p><b>ii. Accrual for untaken annual Leave</b></p> <ul style="list-style-type: none"> <li>- It was agreed that the sample process used in previous years would not be sufficient and the process for 2021/22 would require the calculation by individual staff member;</li> <li>- This approach was resource intensive and the workforce team had taken on 5 temporary staff to collect and validate this information, supported by significant input from the Finance Department;</li> <li>- The increase in accrual had been included in the Month 11 monitoring returns to Welsh Government;</li> <li>- Significant work had taken place with Welsh Government and Audit Wales on the approach to the audit process;</li> <li>- The intention was for this to be paid to staff in the June salary.</li> </ul>	

	<p><b>iii. Pensions Annual Allowance Charge</b></p> <ul style="list-style-type: none"> <li>- Meetings with Welsh Government and Technical Accounting Group had taken place to look at the accounting processes for this;</li> <li>- Welsh Government was working with the NHS Pensions Agency to identify the estimated costs for each health body and there may be a requirement for each health body to disclose a provision in the 2021/22 accounts together with identification of the number of staff who have taken up this option;</li> <li>- It was unclear if there was enough information available to make a provision as yet;</li> <li>- A significant number of staff had expressed an interest in the scheme;</li> <li>- The Auditor General had indicated that the accounts would be qualified on a regulatory basis;</li> <li>- The view was that the handling and Audit Approach should be consistent across Wales.</li> </ul> <p><b>iv. Laundry Services</b></p> <ul style="list-style-type: none"> <li>- With effect from 1st April 2021 all laundry services in Wales transferred from health boards to the NHS Wales Shared Services Partnership (NWSSP).</li> <li>- This transfer required the identification of assets and liabilities relating to the laundry as at 31st March 2021 and the completion of formal S1 and S2 transfer documentation.</li> <li>- These documents have now been completed and signed and all assets and liabilities have been transferred.</li> </ul> <p>In discussing the update, the following points were raised:</p> <p>Nuria Zolle commented that the report highlighted the important key assessment of potential impacts to the accounts and queried if Andrew Biston's awareness of these were in good time to stick to the timetable. He advised yes and advised with regards to the Pension Allowance issue that there would be no impact on the health board accounts. The decision of whether this would be made a liability provision or not could be last minute and would be determined by the information received from NHS pension.</p>	
<b>Resolved:</b>	The year-end annual accounts timetable and closure plan was <b>approved</b> .	
<b>58/22</b>	<b>NWSSP PROCUREMENT: SINGLE TENDER ACTIONS AND QUOTATIONS</b>	

	<p>The NWSSP Procurement: single tender actions and quotations report was <b>received</b>.</p> <ul style="list-style-type: none"> <li>- During the period of 1<sup>st</sup> January 2022 to 18<sup>th</sup> February 2022 there were 8 Single Quotation Actions (SQAs) approved, with a total value of £105,116 and 22 Single Tender Actions (STAs), with a total value of £2,041,225;</li> <li>- The volume of STA's and SQA's are higher than the previous reporting period. Values are however lower. The volume and value of Retrospective Action requests is significantly lower and can be partly attributed to better engagement between the procurement team and stakeholders;</li> <li>- High values and volumes of STA requests can be attributed to significant investment from the Health Board in enhancing existing systems. Many of these systems are only able to be modified/upgraded by the Original Equipment Manufacturer therefore no competition is available;</li> <li>- It was important to note that of the £2.041m total value for STA's, £370k had been saved to due procurement influence and the continuing work underway to ensure value for money;</li> <li>- Procurement training materials have been developed and delivered to Primary Community Therapies Group where areas of weaker procurement governance had been identified;</li> <li>- This training would be delivered by the end of May 2022.</li> </ul> <p>In introducing the report, Keir Warner highlighted the following points:</p> <p>In relation to the training programme underway within Primary Care and Community, Nuria Zolle requested that feedback was received within the next iteration of the report on findings and areas of where training had been received.</p> <p>Nuria Zolle requested further information on the tender underway for Value Based Healthcare on behalf of Welsh Government and Keir Warner undertook to provide this outside of committee.</p>	<p>KW</p> <p>KW</p>
<b>Resolved:</b>	<ul style="list-style-type: none"> <li>- In relation to the training programme underway within Primary Care and Community, Nuria Zolle requested that feedback was received within the next iteration of the report on findings and areas of where training had been received.</li> <li>- Nuria Zolle requested further information on the tender underway for Value Based Healthcare on behalf of Welsh Government and Keir Warner undertook to provide this outside of committee;</li> </ul>	<p>KW</p> <p>KW</p>

	- The NWSSP Procurement: single tender actions and quotations report was <b>noted</b> .	
<b>59/22</b>	<b>ITEMS TO REFER TO OTHER COMMITTEES</b>	
<b>Resolved:</b>	The were no items to refer to other committees.	
<b>60/22</b>	<b>MEETING EFFECTIVENESS</b>	
	Nuria Zolle asked committee members to reflect on the meeting.	
<b>61/22</b>	<b>ANY OTHER BUSINESS</b>	
<b>Resolved:</b>	There was no further business and the meeting was closed.	
<b>62/22</b>	<b>DATE OF NEXT AUDIT COMMITTEE MEETING</b>	
	The date of the next meeting was confirmed as 19 <sup>th</sup> May 2022.	