

## Swansea Bay University Health Board

### Unconfirmed Minutes of the Meeting of the Audit Committee held on Thursday, 10<sup>th</sup> September 2020 at 9.30am via Microsoft Teams

Martin Sollis	Independent Member (in the Chair)
Tom Crick	Independent Member
Martyn Waygood	Independent Member
<b>In Attendance:</b>	
Andrew Biston	Head of Accounting and Governance
Darren Griffiths	Interim Director of Finance and Performance
Neil Thomas	Deputy Head of Internal Audit
Carol Moseley	Audit Wales
Pam Wenger	Director of Corporate Governance
Christine Williams	Interim Director of Nursing and Patient Experience
Len Cozens	Head of Compliance
Leah Joseph	Corporate Governance Officer
Felicity Quance	NHS Wales Shared Services Partnership
Richard Evans	Medical Director (minute 113/20)
Christine Thorne	NHS Wales Shared Services Partnership - Procurement
Helen Higgs	Head of Internal Audit (to minute 114/20)

Minute No.		Action
97/20	<b>APOLOGIES</b>	
	The following apologies were noted: Nuria Zolle, Independent Member; Matthew Evans, Head of Local Counter Fraud Services; Huw Richards, NHS Wales Shared Services Partnership.	
98/20	<b>WELCOME / INTRODUCTORY REMARKS</b>	
	The chair welcomed everyone to the meeting.	
99/20	<b>DECLARATION OF INTERESTS</b>	
	Martin Sollis highlighted that Darren Griffiths had previously recorded a Declaration of Interest in relation to item 6.2 NWSSP Procurement: Single Tender Actions, Single Tender Quotations & Contract extensions.	

<b>100/20</b>	<b>MINUTES OF THE PREVIOUS MEETING</b>	
	The minutes of the meetings held on 25 <sup>th</sup> June 2020 and 9 <sup>th</sup> July 2020 (main and in-committee) were <b>received</b> and <b>confirmed</b> as a true and accurate record.	
<b>101/20</b>	<b>MATTERS ARISING</b>	
	<p>(i) <u>78/20 Health Board Risk Register</u></p> <p>Martin Sollis queried if the increased Board risk appetite from 16 to 20 will be reviewed by the Board in September as stated at the last meeting. Pam Wenger agreed to review this.</p>	<b>PW</b>
<b>102/20</b>	<b>ACTION LOG</b>	
	<p>The action log was <b>received</b> and the following updates provided:</p> <p>(i) <u>80/20 Transitional Care Unit Singleton</u></p> <p>Darren Griffiths confirmed that a meeting has been arranged for 16<sup>th</sup> September 2020 to discuss the value for money element in further detail.</p> <p>(ii) <u>47/20 Perinatal Mother and Baby Unit</u></p> <p>Pam Wenger advised that a meeting took place earlier today and an update will be provided at November's committee.</p>	
<b>Resolved:</b>	The action log be <b>noted</b> .	
<b>103/20</b>	<b>WORK PROGRAMME</b>	
<b>Resolved:</b>	The work programme was <b>noted</b> .	
<b>104/20</b>	<b>ANNUAL QUALITY STATEMENT (AQS)</b>	
	<p>A report explaining the annual quality statement was <b>received</b>.</p> <p>In introducing the report, Christine Williams highlighted the following points:</p> <ul style="list-style-type: none"> <li>- AQS is part of the annual reporting process which provides an opportunity to communicate good practice, good initiatives and highlights areas of improvement;</li> </ul>	

- Welsh Government confirmed in May 2020 that the AQS would be required, however submission was to be delayed until September 2020;
- Due to implications of COVID-19 there has been interruption in the health board's ability to engage in a manner that it would normally
- Work is currently ongoing to develop an easy-read version and a welsh language version of the AQS and both will be available once the AQS has been approved by the board;
- Internal Audit comments to be included and the AQS will be updated before going through board;
- The AQS went to the Quality and Safety Governance Group on 9<sup>th</sup> September 2020.

In discussing the report, the following points were raised:

Martin Sollis suggested that detailed comments are sent separately to the corporate nursing team. Christine Williams advised that she is happy to take comments and reminded colleagues of the tight timescales in relation to the paper going through board, and final submission to Welsh Government.

Martin Sollis stated that Nuria Zolle queried offline whether the easy-read version includes accessibility to people with poor eyesight. Christine Williams advised that the easy-read version will be accessible to those with poor eyesight and the version should be ready in time for the health board meeting.

Martyn Waygood queried whether audio versions have been considered. Christine Williams advised that a more accessible version is being planned and prepared for next year. Pam Wenger highlighted that the health board does offer documents in other formats and languages, however audio versions have not been proactively developed yet.

Tom Crick confirmed that the AQS was a good report and presented a fair view of the health board; he also supported a digital media option, possibly with a c.2 minute video from the Chief Executive Officer or relevant Executive Directors to present key highlights for dissemination online and with other key stakeholders.

Neil Thomas advised that the final internal audit comments had been sent to Christine Williams to feed into the AQS. Martin Sollis highlighted that targeted intervention and transcatheter aortic valve replacement are not mentioned within the AQS and both are important issues for the health board and their treatment in the report should be considered. He also suggested that as this was a public engagement document it would good if the public could be thanked for their compliance and support during the COVID-19 first wave.

	Martin Sollis requested that independent members submit their comments by the end of this week.	
<b>Resolved:</b>	<ul style="list-style-type: none"> <li>– The annual quality statement (AQS) be <b>noted</b>.</li> <li>– Committee members recommended that subject to comments being taken into consideration, the document is approved by the board.</li> </ul>	
<b>105/20</b>	<b>FIELD HOSPITAL GOVERNANCE REVIEW</b>	
	<p>A report explaining the field hospital governance review was <b>received</b>. In introducing the report, Darren Griffiths highlighted the following points:</p> <ul style="list-style-type: none"> <li>- The health board was reviewed by the Welsh Government Integrated Assurance Hub between 27<sup>th</sup> July 2020 and 29<sup>th</sup> July 2020;</li> <li>- The report gave the Board a Delivery Confidence Assessment (DCA) of Amber/Red;</li> <li>- The Health Board's Field Hospital Establishment Group is overseeing the action plan response to the findings and its delivery. The action plan was reported back to the Director General on 4<sup>th</sup> September 2020 at his request. A number of items within the action plan have already been completed since the review;</li> <li>- The review team will revisit the Health Board on 12<sup>th</sup> October 2020 between 9.00am and 2.00pm to assess the completion of the actions.</li> </ul> <p>In discussing the report, the following points were raised:</p> <p>Martyn Waygood was surprised by the assessment of risk, and noted that the biggest risk is workforce which was not detailed in the report.</p> <p>Martin Sollis highlighted that the government gateway review process was adapted for the field hospitals, and he was disappointed in the DCA grading. He added that the circumstances surrounding the field hospitals and COVID-19 were unprecedented and the team was doing everything possible to mitigate the risks. Martin Sollis suggested that Darren Griffiths discusses deadlines with the Chief Executive Officer as many of the deadlines are due to expire and the actions needed to be completed urgently. Darren Griffiths agreed and confirmed that he has sent a version of the action plan to the Director General, and highlighted that pace and completion of the actions is key. The Field Hospital</p>	

	<p>Establishment Group is chaired by the Chief Operating Officer and was focused dealing with the actions urgently.</p> <p>Darren Griffiths advised that a lot of further work had been undertaken to mitigate the workforce risk and if the field hospital was deployed, the workforce would be covered by staff who have been redeployed and the further work had covered the workforce solution should a super surge take place.</p> <p>Martyn Waygood stated that the achievements made in a short space of time have been remarkable and this should be noted.</p>	
<b>Resolved:</b>	The field hospital governance review be <b>noted</b> .	
<b>106/20</b>	<b>AUDIT COMMITTEE TERMS OF REFERENCE</b>	
	The Audit Committee Terms of Reference was <b>received</b> and <b>approved</b> .	
<b>107/20</b>	<b>STANDARDS OF BUSINESS CONDUCT, DECLARATIONS OF INTEREST AND HOSPITALITY REGISTERS</b>	
	<p>The Standards of Business Conduct, declarations of interest and hospitality registers were <b>received</b>.</p> <p>In introducing the report, Pam Wenger highlighted the following points:</p> <ul style="list-style-type: none"> <li>- The Standards of Business Conduct Policy was reviewed and taken through the Senior Leadership Team (SLT);</li> <li>- There was a need to capture the charity donations following COVID-19;</li> <li>- There are challenges in relation to gifts and hospitality, however as identified previously by the committee this is a priority area going forward;</li> <li>- A digital method is being worked through in respect of Declarations of Interest and hospitality registers;</li> </ul> <p>In discussing the report, the following points were raised:</p> <p>Martin Sollis highlighted that this is a substantive and important document and as such every employee should be aware of its content at induction. He queried whether the policy has been through the Partnership Board. Pam Wenger advised that no major changes have been made, however the policy has been through SLT but not the</p>	

	<p>Partnership Board. Pam Wenger stated that she would take advice from the Interim Director of Workforce and OD on the matter.</p> <p>Martin Sollis noted that the receipt of gifts from service users has been reduced from £25 to £0, however the figure changes again later in the report. He requested that figures are reviewed for consistency, and highlighted the importance of sharing these changes in an appropriate way across the health board. He fully supported regularising the policy and added that sharing this with the Partnership Board is an option to consider. He also suggested that from 1<sup>st</sup> April 2021 the policy is provided to all new starters at induction.</p> <p>Martyn Waygood suggested that an introduction to the Whistleblowing and bribery acts from the accountable officer could help engage staff.</p> <p>Tom Crick queried how a gift is declared and whether an online system is available. Pam Wenger advised that a gift is declared by physically completing a form, however there is work ongoing to digitally develop a form which will enable regular reporting through SLT.</p> <p>Andrew Biston advised that the honoraria content needs to be amended to include latest tax issues and the charitable offering needs to be added. He confirmed that he would share the HMRC tax guide with Pam Wenger.</p> <p>Len Cozens highlighted that enhancing managers responsibility is a good addition. Martin Sollis noted that it is everyone's responsibility to protect themselves and staff members, however reintroduction of this policy by 1<sup>st</sup> April 2020 needs to be reviewed as changes in behaviours and compliance would be expected and action would need to be taken on any non-compliance matters.</p> <p>Pam Wenger requested that comments, feedback and suggestions are forwarded to her via email and an update will be provided at November's committee.</p> <p>Christine Thorne advised that a separate piece of work is being undertaken within Procurement in developing a Procurement Manual which includes standards of behaviour. The final draft is due in the next two weeks and will include all Board Secretaries within the consultation.</p>	PW
<b>Resolved:</b>	<ul style="list-style-type: none"> <li>- An update on Standards of Business Conduct be received at November's Committee.</li> <li>- The Standards of Business Conduct, declarations of interest and hospitality registers were <b>noted</b>.</li> </ul>	PW

108/20	<b>INTERNAL AUDIT ASSIGNMENT SUMMARY AND PROGRESS REPORT</b>	
	<p>In introducing the report, Helen Higgs highlighted the following points:</p> <ul style="list-style-type: none"> <li>- 32 audits have yet to be started, however the plan remains flexible;</li> <li>- A discussion is due to take place with Pam Wenger to identify the deferral of audits on a risk basis and the decisions will be brought back to November's committee;</li> <li>- There have been a reduction in audit reviews, however as part of the Covid governance arrangements review, risk management and financial governance issues have been reviewed to some extent;</li> <li>- Wales Audit Office have been involved in the All Wales Advisory Review. The review was high level and it was requested by the All Wales Finance Group;</li> <li>- Thanks was given to the Finance and Corporate Governance teams for their involvement with the All Wales COVID-19 governance arrangements report.</li> </ul> <p>In introducing the report, Neil Thomas highlighted the following points:</p> <ul style="list-style-type: none"> <li>- The COVID-19 report is largely positive and it highlighted that in the main, effective action had been taken;</li> <li>- Feedback from independent members was positive and the board arrangements were organized well;</li> <li>- Good communication and digital arrangements were in place;</li> <li>- Record keeping consistency and quality was the main theme within the recommendations, particularly in respect of decision-making, the completion of RAID logs and procurement.</li> </ul> <p>In discussing the report, the following points were raised:</p> <p>Martin Sollis queried when the finalised report and action plan response was intended to come back to the committee. Pam Wenger recommended that an action plan is developed which should be taken through SLT in October and Audit Committee in November. Darren Griffiths confirmed that an action plan is underway and he is content with the timelines suggested by Pam Wenger.</p> <p>Martin Sollis queried the weaknesses relating to overtime payments made to Band 8a and above and suggested that a retrospective report is taken through Remuneration and Terms of Service Committee as it is unusual for this type of payment to be made. Pam Wenger advised that</p>	HH

	<p>papers have gone through Gold Command and suggested that a retrospective paper should go through the Workforce and OD Committee, but added that she would take advice from the Interim Director of Workforce and OD on retrospective approval.</p> <p>In relation to other finalised audit reports Martin Sollis voiced his concerns in relation to estates reporting, and in particular to the limited assurance report given to the follow up issues relating to COSHH (Control of Substances Hazardous to Health) issues, It seemed that the lack of staff resources were being highlighted as the main reason for the continued problems. The committee had been assured that this was being addressed by the previous Nurse Director and he therefore requested that an urgent update was provided at November's committee.</p>	<b>CW</b>
<b>Resolved:</b>	<ul style="list-style-type: none"> <li>- The finalised COVID-19 financial governance report and action plan be brought to the next committee.</li> <li>- An update report and action plan be brought to November's committee to include the deferred audit reviews.</li> <li>- Pam Wenger to take advice from Interim Director of Workforce and OD regarding a retrospective approval report on overtime payments to Band 8a and above.</li> <li>- An update on estate's staff resources and COSHH compliance be brought to November's committee.</li> <li>- The audit assignment summary and progress report were <b>noted</b>.</li> </ul>	<b>DG/PW</b>  <b>HH</b>  <b>PW</b>  <b>CW</b>
<b>109/20</b>	<b>EXTERNAL PERFORMANCE AND PROGRESS REPORT</b>	
	<p>The performance and progress report was <b>received</b>.</p> <p>In introducing the report, Carol Moseley highlighted the following points:</p> <ul style="list-style-type: none"> <li>- Governance arrangements review for WHSSC (Welsh Health Specialised Services Committee) should be available soon;</li> <li>- The local follow up report on Orthopaedic services is to be re-scoped and restyled in a supportive way post-COVID19 which will be available soon;</li> <li>- Unscheduled care review and quality governance review are due to be re-scoped.</li> <li>- A single local report reviewing the SLA's and LTA's of Cwm Taf Morgannwg University and Swansea Bay University Health Board since the Bridgend transition was planned;</li> </ul>	

	<ul style="list-style-type: none"> <li>- The counter fraud review was positive and a report has been published on asbestos removal.</li> </ul> <p>In discussing the report, the following points were raised:</p> <p>Martin Sollis queried the expected outcomes of the Bridgend transition report. Carol Moseley advised that the report would evaluate the governance oversight arrangements, the plans for disaggregation of services and consideration of current arrangements and whether they are fit for the future. She added that the report would be brought through the Audit Committee.</p> <p>Darren Griffiths advised that the review would help provide an increased appetite for considering a different service model for Neath Port Talbot Hospital.</p>	
<b>Resolved:</b>	The performance and progress report was <b>noted</b> .	
<b>110/20</b>	<b>STRUCTURED ASSESSMENT 2020-21</b>	
	<p>The structured assessment 2020-21 was <b>received</b>.</p> <p>In introducing the structured assessment, Carol Moseley highlighted the following points:</p> <ul style="list-style-type: none"> <li>- The report was positive and the findings were similar to that of internal audit. There are no new recommendations;</li> <li>- There were three themes: governance arrangements, managing finances and operational planning.</li> <li>- Lessons learned in decision logs particularly if a second peak of COVID-19 were important; and</li> <li>- There is a sound financial forecast with tracking to the underlying deficit.</li> </ul> <p>In discussing the report, the following points were raised:</p> <p>Martin Sollis thanked Audit Wales for such a positive report. He stated that such an excellent report was due to the continued efforts and focus provided on robust governance through the period by the Health Board Chair and Pam Wenger, supported by all Executive Directors and staff.</p>	
<b>Resolved:</b>	The structured assessment 2020-21 was <b>noted</b> .	
<b>111/20</b>	<b>COUNTER FRAUD PROGRESS REPORT</b>	

	<p>The Counter Fraud Progress Report was <b>received</b> and <b>noted</b>.</p> <p>Martin Sollis requested that any questions in relation to the reports are taken forward to November's Committee.</p>	
<b>112/20</b>	<b>CHANGE IN AGENDA ORDER</b>	
	<p>The agenda order be changed and items 7.1 be taken next, with 6.1 following.</p>	
<b>113/20</b>	<b>CLINICAL AUDIT ANNUAL REPORT 2019-20</b>	
	<p>The Clinical Audit Annual Report 2019-20 was <b>received</b>.</p> <p>In introducing the report, Richard Evans highlighted the following points:</p> <ul style="list-style-type: none"> <li>- Following the start of the COVID-19 pandemic, the national and local clinical audits were suspended in March 2020;</li> <li>- The local programme was restarted in July 2020 and meetings take place on a monthly basis;</li> <li>- A new clinical efficiency outcomes group has been set up and the chair of the group is the Health Board's Interim Deputy Medical Director and membership is multi-representational;</li> <li>- NHS England have indicated that they would be withdrawing from the national clinical audit programme.</li> </ul> <p>In discussing the report, the following points were raised:</p> <p>Martyn Waygood noted that the report had been through August's Quality and Safety Committee and no concerns were raised.</p> <p>Martin Sollis noted the importance of identifying service outliers and knowing where the health board needs to be against national standards. He added that internal clinical audits are completed on an ad-hoc basis and queried how outcomes are remedied and audits are escalated. Richard Evans advised that remedies go through the clinical efficiency outcomes group who in turn manage escalation. He added that the group need to go through the local audits and capture individual practices on a 5/6 tier priority list.</p> <p>Tom Crick queried if a comparison would be more difficult if NHS England withdraw from the national audit programme. Richard Evans advised that it is an active issue for Welsh Government and it would be harder to compare without NHS England's involvement.</p>	

	Martin Sollis suggested that a discussion takes place outside of the committee with him, Richard Evans, Pam Wenger and Martyn Waygood to discuss responsibilities and oversight of clinical audits.	
<b>Resolved:</b>	The report was <b>noted</b> .	
<b>114/20</b>	<b>FINANCE UPDATE</b>	
	<p>Darren Griffiths provided a verbal finance update in which he highlighted the following points:</p> <ul style="list-style-type: none"> <li>- The month 5 position reflects an overspend of £28.7 million;</li> <li>- £10.6 million overspent on a £10.2 million planned overspend baseline which excludes COVID-19 and savings;</li> <li>- The COVID-19 overspend stands at £6.6 million;</li> <li>- £40 million has been received to offset the COVID-19 costs;</li> <li>- From a national perspective the Board would get sight of the Welsh Government allocation letter next week which will help significantly in providing further detail on the performance delivery framework and financial outturn expectations;</li> <li>- In respect of Capital decisions made, 4.63 million was spent for the service response, 1.4 million was spent on the COVID-19 digital response and 2.6 million was spent on equipment</li> </ul>	
<b>Resolved:</b>	The finance update was <b>noted</b> .	
<b>115/20</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> <p>In introducing the report, Christine Thorne highlighted the following points:</p> <ul style="list-style-type: none"> <li>- All single tender and procurement activity during the COVID-19 period had been reviewed and there were no causes for concern from a procurement regulations perspective;</li> <li>- Corrective actions were in place to ensure value had been achieved and some retrospective approvals were still to be</li> </ul>	

	<p>processed to cover some delegation gaps issues that had been identified.</p> <ul style="list-style-type: none"> <li>- Parameters in procurement regulation 32 gave the health board powers during the COVID-19 period that it could use if needed, however there was less reliance on this regulation than expected, which was positive to note.</li> <li>- No procurement regulations were breached throughout the COVID-19 process.</li> </ul> <p>In discussing the report, the following points were raised:</p> <p>Martin Sollis reiterated the comment that the health board had followed due process and that there is retrospective assurance of no breaches that could be lead to any legal or other procurement challenges.</p> <p>Pam Wenger highlighted that values above delegation require board sign off, and as such a retrospective paper is required for board ratification. Christine Thorne will discuss this with Pam Wenger and Darren Griffiths outside of the committee.</p> <p>Darren Griffiths outlined that in relation to his declaration of interest, all dealings with the British Red Cross procurement had been handled by the Chief Operating Officer. He stated that following COVID-19, there was an opportunity to align procurement processes in a better way, and he thanked Christine Thorne for her response and report.</p> <p>Martyn Waygood acknowledged procurement's work in difficult times and noted that value had been achieved.</p>	
<b>Resolved:</b>	<ul style="list-style-type: none"> <li>- Retrospective report on actions above delegation to be discussed outside of committee.</li> <li>- The NWSSP Procurement: single tender actions and quotations was <b>noted</b>.</li> </ul>	<b>DG/PW</b>
<b>116/20</b>	<b>LOSSES AND SPECIAL PAYMENTS</b>	
	<p>A report detailing losses and special payments 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 losses and special payments recorded during the period 1<sup>st</sup> June to 31<sup>st</sup> July 2020 totalled £3,365,604 of which £2,987,436 is recoverable from the Welsh Risk Pool. Taking this recovery into account, the actual loss to the Health Board in the period totals £378,168;</li> </ul>	

	<ul style="list-style-type: none"> <li>- The risk sharing arrangement is likely to be invoked in 2020/21 and based on the month 4 estimate the cost to Swansea Bay Health Board will be £2.285m;</li> <li>- COVID-19 has impacted on hearings taking place, however most have been rescheduled for 2021/22;</li> <li>- Little knowledge is known of the number of COVID-19 impact claims;</li> <li>- There have been no claims relating to General Practitioner indemnity scheme.</li> </ul> <p>In discussing the report, the following points were raised:</p> <p>Martin Sollis queried how the risk share is based for the health board. Andrew Biston advised that three elements are involved: health board turnover; historical claims; and services provided by the health board. He added that the risk share had been adjusted for the Bridgend split.</p> <p>Martin Sollis queried if the breakdown is sophisticated and requested an update in November. He added that the losses have all been approved prior to coming to Audit Committee and the report should be noted unless there were any other queries members wished to raise.</p>	<b>AB</b>
<b>Resolved:</b>	<ul style="list-style-type: none"> <li>- An update on how the risk share is determined to be provided to the committee in November.</li> <li>- The report was <b>noted</b>.</li> </ul>	<b>AB</b>
<b>117/20</b>	<b>ITEMS TO REFER TO OTHER COMMITTEES</b>	
<b>Resolved:</b>	There were no items to refer.	
<b>118/20</b>	<b>ANY OTHER BUSINESS</b>	
<b>Resolved:</b>	There was no further business and the meeting was closed.	
<b>119/20</b>	<b>DATE OF NEXT BOARD MEETING</b>	
	The date of the next meeting was confirmed as 12 <sup>th</sup> November 2020.	