

Swansea Bay University Health Board
Unconfirmed
Minutes of the Meeting of the Audit Committee
held on Thursday, 14th July 2022 at 9.00am to 12.15pm
Microsoft Teams

Present:

| | |
|----------------|-----------------------------------|
| Nuria Zolle | Independent Member (in the Chair) |
| Tom Crick | Independent Member |
| Patricia Price | Independent Member |
| Steve Spill | Vice Chair |

In Attendance:

| | |
|------------------|---|
| Andrew Biston | Assistant Director of Finance - Accounting and Governance |
| Darren Griffiths | Director of Finance and Performance |
| Hazel Lloyd | Acting Director of Corporate Governance |
| Osiann Lloyd | Deputy Head of Internal Audit |
| Matt John | Director of Digital |
| Felicity Quance | Senior Audit Manager |
| Jason Blewitt | Audit Wales |
| Sara Utley | Audit Wales |
| Michelle Davies | Head of Strategic Planning (Minute 135/22) |
| Neil Thomas | Head of Risk and Assurance (Minute 132/22) |
| Len Cozens | Head of Compliance |
| Georgia Pennells | Corporate Governance Officer |
| Keir Warner | Head of Procurement (Minute 141/22) |
| Gareth Westlake | Deputy SIRO, (Minute 142/22) |

| Minute No. | | Action |
|---------------|---|--------|
| 125/22 | APOLOGIES | |
| | Apologies were noted from Gareth Howells, Director of Nursing and Patient Experience. | |
| 126/22 | WELCOME / INTRODUCTORY REMARKS | |
| | The chair welcomed everyone to the meeting. | |
| 127/22 | DECLARATION OF INTERESTS | |

| | | |
|---------------|--|--|
| | No declaration of interests were received. | |
| 128/22 | MINUTES FROM THE PREVIOUS MEETINGS | |
| | The minutes from the meetings held on Thursday 19 th May 2022 and Wednesday, 8 th June 2022 were approved . | |
| 129/22 | ACTION LOG | |
| | The action log following the meeting held on Wednesday, 8 th June 2022 was received and noted . | |
| 130/22 | BOARD ASSURANCE FRAMEWORK | |
| | <p>The Board assurance framework was received.</p> <p>In introducing the report, Len Cozens highlighted the following points:</p> <ul style="list-style-type: none"> - The Board Assurance Framework (BAF) was last presented to the Audit Committee at its meeting on 10th March 2022; - NWSSP Audit & Assurance colleagues have completed a review of Risk Management and the Board Assurance Framework, which attained a 'Reasonable' assurance rating; - This coincided with discussions between the Acting Director of Corporate Governance and the Health Board Chair around the overall structure of the BAF, during which it was agreed that it be realigned under objectives contained within the Health Board's 2022/23 – 2024/25 Recovery & Sustainability plan; - Further more detailed work was then undertaken in order to restructure the Board Assurance Framework. The main changes are summarised as follows: - The document now reports under 8 main objectives, directly aligned to the Health Board Recovery & Sustainability plan. Each objective is fully cross-referenced to the principle strategic/corporate risk(s) to achievement, as detailed in the Health Board Risk Register, including the most up-to-date risk score. The Head of Compliance will continue to work with the Deputy Head of Risk & Assurance to ensure that this key link is maintained and updated on an ongoing basis; - The front page for each objective also sets out the visions and outcomes for each objective, as detailed in the Recovery and | |

Sustainability plan. This is to assist Executive Directors and their teams in providing focus and context for completing the detail/content within the BAF;

- The section detailing the key controls in place to assist in delivery against each objective has been brought more to the front of each section in order to create greater emphasis;
- Much of the duplication of content with the Health Board Risk Register has been removed;
- The revised BAF was shared with Independent Members at a meeting on 7th May 2022, and positive feedback was received in terms of the changes which have been made;
- The BAF was also presented to the 15th June 2022 meeting of the Management Board. As a result of feedback received at that meeting, the Acting Director of Corporate Governance and Head of Compliance are currently in the process of meeting each Executive Director individually in order to address any concerns or queries they may have;
- In addition to the revision of the document itself, the Head of Compliance has also drafted a timetable for the ongoing review and update of the BAF by the Executive Directors and their teams. The timetable is based on a bi-monthly review process, with key dates linked to the Management Board, Audit Committee and Health Board reporting cycles.

In discussing the item, the following points were made:

Nuria Zolle thanked Len Cozens for all the work and progress to date and in making every effort to engage with independent members on the updated BAF.

Patricia Price queried if the focus of the BAF is assurance around the likelihood of the outcome of delivery for the eight areas. Len Cozens advised the BAF will provide a picture of the key controls which have been put in place in order to achieve the objective, it will manage the risks around the achievement of the objective, it will give the sources of assurance that the health board has in place and that the key controls are operating effectively. The BAF will highlight where the forms of assurance are raising gaps in the key controls or areas which need work and a picture of the action that the executives and their teams have agreed in order to address the gaps. The trend arrow gives a picture of performance and the assurance rating will be an overall red, amber and green rating on achievement against the objective.

Patricia Price queried if the assurance rating is agreed with the executives and how the BAF is linked to the outcomes delivery, Len Cozen advised that

| | | |
|------------------|---|--|
| | <p>it would be the responsible executive and their lead. If anything was massively out of kilter there would be a discussion to establish where the differences were. The board and committees receive other forms of assurance from areas, and the BAF can't capture everything but where there seems to be a disconnect and performance at ground level isn't where it needs to be, the BAF will prompt board and committees to sought deep dives and further assurance.</p> <p>Nuria Zolle noted that the next stage is clarity of what the committee is seeking assurance on, whether it is detailed actions, objectives or the overall vision.</p> <p>Paul Mapson expected to see resources in the BAF, Len Cozens agreed and the next areas which are due to be built are finance and estates. Darren Griffiths noted that he was working with Len Cozens to draft the resource element and they have agreed perimeters and it is working progress.</p> <p>Nuria Zolle touched upon the questions of alignment and gaps in assurance. The alignment element has been picked up with the committee structure, it is important that there is assurance in terms of the governance. Thought needs to be given further to the gaps in the BAF.</p> <p>Sara Utleay asked the committee to consider what risks are sitting outside of the organisation that could potentially have an effect on achieving the objectives.</p> | |
| Resolved: | <p>Committee members noted the Board Assurance Framework (BAF), and acknowledged that it was an iterative document which would be continually updated.</p> | |
| 131/22 | <p>REVIEW OF AUDIT REGISTERS AND STATUS OF RECCOMENDATIONS</p> | |
| | <p>The Audit registers and status of recommendations was received.</p> <p>In introducing the register, Len Cozens highlighted the following points:</p> <ul style="list-style-type: none"> - This report includes all updates to audit registers made up to and including the 24th June 2022; - In respect of Audit Wales reports, there are currently no actions overdue when measured against their revised deadline dates; - There has also been a reduction in the number of overdue actions stemming from NHS Wales Shared Services Partnership (NWSSP) audit and assurance reports since the last Committee (May 2022) update. The primary reason for this movement is the closure of all outstanding actions relating to the audit of Primary Care Services. However, this has been off-set somewhat by the need to 're-open' a | |

number of actions which had previously been recorded as complete within two audits;

- The SharePoint platform which the tracker sits on has been updated, which has resulted in a change of functionality of the system. The team have used this has an opportunity to update a standard operating procedure guide which will be sent to users in the next few weeks.

In discussing the item, the following points were made:

Paul Mapson queried where the report highlights an improvement of revised dates, is this really an improvement or have the dates been moved with good reasons and who approves the revised dates for audit recommendations. Len Cozens will include in the update report to the next committee, a 12-18 month comparison table of where the health board was compared to where we are now in terms of performance against originally set deadline dates and also, the revised deadline dates. There isn't a formal process to agree an extended date, as part of the update from the executive and teams if they find they haven't been able to hit the original date they would set a revised date themselves, which Len Cozens will record in the tracker as part. Len Cozens will be noting in the updated standing operating procedure guide that the executive or nominated lead will need to provide clear and concise reason for the revised date.

Nuria Zolle was thankful for the assurance from Len Cozens, and highlighted the importance of an executive's owning the responsibility for discharging recommendations in a timely way. She queried whether a formalised process is needed around the extension of deadlines, so that actions is not repeatedly delayed.

Patricia Price raised concerns of the re-introduction of the discharge planning recommendation especially given it was a limited assurance report at the time. To Len Cozens' knowledge when the report was produced the majority of the recommendations stemmed from the noncompliance of the safer discharge policy which was in place at the time of the audit. The vast majority of the responses to the recommendations was to review and update the safer discharge policy to reflect what was expected at the front line. A head of nursing patient flow was appointed and work had commenced on the re-draft of the safer policy but the staff member was seconded and a replacement hasn't been identified. Recommendations were closed down given the draft document was advance at that time. Having looked at the document afresh with the teams of the Director of Nursing and Chief Operating Officer it has been agreed that the document needs to be completed and approved at the appropriate level before the actions can be closed, hence why the actions have been re-opened. Whilst there has been a lengthy hiatus, Len Cozens was pleased to advise that resource had been identified to take the work forward. Given the passage of time, Len Cozen

| | | |
|------------------|---|--|
| | <p>will ensure that the responses to the risks are still appropriate and where they are appropriate ensure they are progressed in the timescales involved. Nuria Zolle noted the importance of the area of work and wanted to invite the Chief Operating Officer to attend committee to advise on the progress of the recommendations.</p> | |
| Resolved: | <p>Committee members noted the current position of the Audit Registers and the status of the action plans.</p> <p>Committee members agreed specific areas where the committee felt that further assurance was required in order that these may be addressed with the relevant Lead Executive(s).</p> <p><u>ACTION</u> - Len Cozens to provide a 12-18 month comparison table detailing where the health board was compared to where it is now in terms of performance against originally set deadline dates and also, the revised deadline dates.</p> <p><u>ACTION</u> - The Chief Operating Officer to attend committee to provide the committee with an update on the progress of the recommendations against the safer discharge policy.</p> | |
| 132/22 | <p>HEALTH BOARD RISK REGISTER</p> | |
| | <p>The health board risk register was received.</p> <p>In introducing the register Neil Thomas highlighted the following points:</p> <ul style="list-style-type: none"> - The Health Board Risk Register (HBRR) for May 2022 was received and endorsed by the Management Board in June 2022; - During April, an additional meeting of the Risk Scrutiny Panel attended by the Executive Medical Director reviewed risks scored 20 and above. Advisory notes were shared with Executive leads following the meeting for consideration during the update process in April; - The May HBRR contains 40 risks, of which 20 have risk scores at, or above, the Health Board's current appetite of 20. Three of these have risk scores of 25; - Following discussion at Management Board, at a Risk Scrutiny Panel meeting in April the Executive Medical Director reviewed Health Board Risk Register risks scored 20 and above. Advisory notes were shared with Executive leads following the meeting for consideration during the update process in April. Notes were circulated again in May so that changes not actioned during the April cycle due to annual leave could be considered. This was the first | |

| | | |
|--|---|--|
| | <p>Panel to review and feed back to risk owners on Health Board register entries relating to high scoring risks. Amendments have been made to a number of risk entries – the process will be repeated to drive further improvements over coming meetings;</p> <ul style="list-style-type: none"> - The following movements were noted March – May 2022, Two new risks were added to the register, one risk has increased in score, another increased during the period but has since been reduced, six risk scores have been reduced and one has been closed. <p>In discussing the risk register the following points were raised:</p> <p>Nuria Zolle noted it was great to see the ongoing internal discussion around a more nuanced approach to our risk appetite. In terms of the risk of Digital Transformation to Deliver Sustainable Clinical Services. Tom Crick wanted to gauge an understanding of funding from Welsh Government. Matt John advised there is a lot of working ongoing between the Digital directorate and Performance and Finance, and nationally with other health boards and Welsh Government to project a ten year financial requirement which digital needs. The reason for the risk increase was due to the bigger capital challenge which hasn't been seen in previous years, the storage area network is out of warranty before the end of the financial year and to could cost £1.5m to replace the network in capital. Usually it would be just about covered or a plan b option of money available from Welsh Government from December onwards, however this hasn't been indicated this year hence why the risk has been increased. There is an option to extend the warranty to have a revenue based model to support the network but a solution hasn't been reached yet. Darren Griffiths gave the context of the discretionary plan has been cut from £11.5m to £8.5m, it is understood the Welsh Government health capital system is over committed by £44m at the moment, where previously slippage in one health board is routed back into Welsh Government is often routed to the health board having been very proactive, until the £44m has been covered off other slippage isn't going to flow through to us. In the year's plan, the first discretionary plan has been put together based on the things the health board would want to do against the allocation which is £6m out and mitigating action has been taken to manage the £6m gap to a balanced plan, which is reflected on the risk register as a scoring of 20. Darren Griffiths noted he would continue to advocate nationally the right proportion of funds to be allocated to digital. Tom Crick wanted to ensure it was reaffirmed the interdependency and connectedness of some of the risks.</p> <p>A report to be received at the November 2022 committee on the 'Digital Transformation to Deliver Sustainable Clinical Services'.</p> <p>Darren Griffiths advised the story on the revenue side is better in the sense, that there is investment and support through the revenue streams to the directorate of digital. As a collective creating revenue solutions need to be looked at.</p> | |
|--|---|--|

| | | |
|------------------|---|--|
| | <p>Tom Crick highlighted the new risk of Non-Compliance with ALN Act, and wondered how the health board planning could be better mitigated and have the health board missed the opportunity to put resource in place. Nuria Zolle asked a similar question in the quality and safety committee. Neil Thomas noted there were two elements to the risk, the partnership working governance structure which needed to be put in place and the resourcing. There is an operation group looking into the detail, and the group will look to address the two elements.</p> | |
| Resolved: | <p>Committee members noted the updated Health Board Risk Register and changes to the risks outlined in the report.</p> <p>ACTION – Deep dive report to be provided to the November 2022 committee on the <i>'Digital Transformation to Deliver Sustainable Clinical Services'</i>.</p> | |
| 133/22 | <p>PROCESS FOR THE ACCEPTANCE OF GIFTS TO THE HEALTH BOARD CHARITY</p> | |
| | <p>The process for the acceptance of gifts to the health board charity was received.</p> <p>In introducing the document, Hazel Lloyd highlighted the following points:</p> <ul style="list-style-type: none"> - This report sets out a proposed protocol for accepting gifts to the health board charity; - Since the Covid-19 pandemic, there has been a significant increase in the number of companies making sizable donations to the health board's Helping Hands Charity, particularly with items for the benefit of staff in general. Examples include chocolate, toiletries and a beehive; - While for the most part these have been included on the main gifts and hospitality register for audit purposes, this is not the right governance route as this register relates to the standards of business conduct and how individual staff manage any personal donations. As such, a specific protocol has been created alongside the general one. <p>In discussing the report the following points were raised:</p> <p>Nuria Zolle requested Hazel Lloyd to monitor the amount of gifts the governance team are registering given the heavy burden this may have on the team. Hazel Lloyd assured Nuria Zolle that she would monitor the situation and was of the knowledge that the gifts received had received in light of the pandemic.</p> | |
| Resolved: | <p>Committee members approved the protocol for accepting gifts donated to the health board charity.</p> | |

| | | |
|------------------|---|--|
| 134/22 | CLOSURE OF STRUCTURE ASSESMENT 2021 AND THE BRIEF OF STRUCTURE ASSESMENTS 2022 | |
| | <p>A report outlining the closure of the 2021 structured assessments and the brief of the 2022 structured assessments was received.</p> <p>In introducing the report, Hazel Lloyd highlighted the following points:</p> <ul style="list-style-type: none"> - The structured assessment report examines the health board's arrangements that support good governance and the efficient, effective and economic use of resources; - The process included interviews with executive directors and independent members of the board, observations of board and committee meetings and a review of relevant documents, as well as performance and financial data. <p>In discussing the report the following points were raised:</p> <p>Nuria Zolle queried the improvement of the health board website. Hazel Lloyd advised that there has been a launch of the new intranet site which makes documents accessible, there is always further work the health board can do but the Interim Director of Communications is looking into this however, management board agreed that the action was complete.</p> | |
| Resolved: | <p>Committee members received and noted the progress against the action plan.</p> <p>Committee members agreed to close the actions marked as 'complete'.</p> <p>Committee members noted the brief for the structured assessment 2022 which includes field work in a yet to be determined operational service area.</p> | |
| 135/22 | DEVELOPMENT OF THE NEONATAL TRANSPORT ODN AND ENDORSE THE MEMORANDUM OF UNDERSTANDING | |
| | <p>Committee members welcomed Michelle Davies, Head of Strategic Planning to the committee.</p> <p>A report outlining the development of the neonatal transport ODN and endorsement the memorandum of understanding was received.</p> <p>In introducing the report Michelle Davies highlighted the following points:</p> <ul style="list-style-type: none"> - The Welsh Health Specialist Service Committee (WHSSC) Joint Committee agreed to the establishment of the Neonatal Transport ODN to deliver improved governance arrangements. Swansea Bay UHB agreed to host the Operation Delivery Network (ODN), and a Project Board was set-up in March 2022 to take forward the establishment of the ODN. The following report provides assurance | |

| | | |
|------------------|---|--|
| | <p>around the development of the MOU, and asks for members of the audit committee to endorse the arrangements set-out for submission to Board for approval;</p> <ul style="list-style-type: none"> - The current neonatal transport service moved to 24/7 delivery in January 2021. However, there have been on-going concerns around the governance of the service and Joint Committee supported the establishment of an operational delivery network (ODN) to address the governance concerns and to ensure the on-going management and development of the service. <p>In discussing the report the following points were raised:</p> <p>Nuria Zolle sought clarity on the specific concerns raised relating to governance. Michelle Davies advised that the governance concerns stem from the lack of lessons learnt and the sharing of best practice across the network, there are seven health boards covering a large geographical area which has been managed by the welsh neonatal maternity network. WHSSC have introduced greater governance which has resulted in establishing an advisory group which has increased the governance reporting. The Director of Nursing and Patient Experience had tried to seek further understanding on the level of concerns and there isn't any significant depth or patient experience, it seems to be the capability of the network is the concern. A business case will be submitted to WHSSC management board on Thursday, 28th July which outlines the recommended staffing structure which will ensure there isn't over reliance on the core service.</p> | |
| Resolved: | <p>Committee members noted the progress to establish the Transport ODN.</p> <p>Committee members endorsed the MOU for submission to the Board for approval.</p> | |
| 136/22 | REVIEW OF PROGRESS REPORTS | |
| | <p>The progress reports from internal audit were received.</p> <p>In introducing the reports, Osian Lloyd highlighted the following points:</p> <ul style="list-style-type: none"> - Since the May 2022 audit committee, eight reports from 2021/22 internal audit plan had been finalised which completes the work for 2021/22. <p>In discussing the update report, the following points were raised:</p> <p>Tom Crick sought a better understanding of the timescales of the internal audit plan and wondered if there was a way of prioritising or an indicative timescale for when reviews might start. Osian agreed to make appendix A of the report clearer, and noted the internal audit plan has the outline timings of each of the reviews which will give an idea of the flow of the work. If there</p> | |

are any changes to the plan, Osian Lloyd assured Tom Crick that the changes would be brought to the committee.

Nuria Zolle wanted to ensure that internal audit were receiving appropriate engagement from the executive directors and key contacts. Osian Lloyd was content with engagement from colleagues.

In introducing the final internal audit reports, Osian Lloyd and Felicity Quance highlighted the following:

Internal audit follow up report; reasonable assurance rating.

Capital; reasonable assurance rating.

- 14 actions had been closed including those which relate to future projects.
- Where the recommendations are outstanding or partly implemented it has been agreed with management the responsibilities and the timescales which will feed into the tracker reported by Len Cozens.

Darren Griffiths was content with the report.

Digital project management report; substantial assurance rating.

- Nuria Zolle congratulated the team on the success of the work.

Matt John was content with the report and noted the delight from the team on the substantial assurance rating.

Estates assurance follow up; reasonable assurance rating.

- Significant improvement of Control of Substances Hazardous to Health, Financial Safeguarding, fire and water and 64% of the recommendations have been closed.
- There are still a number of high rated priority recommendations to be dealt which management need to focus on and discussion has been held with the relevant officers to identify suitable timescales.
- Given the length of the report, conversations have been held in how to improve the reporting of capital and estates.
- Len Cozens provided further assurance on the standing operating procedure would include reference to updates should be directly related to the risk identified and the agreed action, he would also include the process of updating against the issues needs to be embedded rather than tackled once every two months.
- There are references in the report to water sampling contracts, there was an oversight on Felicity Quances' part. Water sampling legionella contract has been put in place however water sampling hasn't and Felicity inadvertently referred to legionella in the water

sampling response and the report will be updated with the correct point.

Darren Griffiths thanked the internal audit team for the hard work and patience in merging the information into once place. On reflection Darren Griffiths noted where health and safety and estates falls under one leadership it was very helpful, working with capital planning there was room for greater synergy. Darren Griffiths informed the committee that a water group has been re-established, chaired by himself which will ensure focus on the important matter set out in the legionella safety.

Following presentation of the capital follow up and estates assurance follow up reports, the committee agreed a revised approach to how updates to recommendations and how to undertake this work going forward, such as a more real time validation of completed recommendations, with updates on this being provided through the internal audit progress report which is presented at each committee meeting, with a summary report presented to committee at the end of the year.

Follow Up – General; Reasonable assurance rating.

- Purpose – Internal audit undertook a follow-up review of the following 2020-21 limited and reasonable assurance reports to assess whether the health board has implemented the related Internal Audit recommendations: World Health Organisation (WHO) Checklist compliance (Follow-up), Mortality Reviews, Concerns: Serious Incidents and Safeguarding;
- A sample of 12 recommendations were tested focusing on those rated high and medium priority that have been recorded and reported as implemented in the health board's Audit Recommendations Tracker;

Reasonable assurance rating:

- The health board's recommendation tracking process continued during 2021/22. There is scope to strengthen arrangements to enable more robust scrutiny. Internal audit have shared good practice observed at other NHS organisations for the health board to consider to further improve its arrangements and strengthen scrutiny and transparency;
- Internal audits testing confirmed that nine of the 12 recommendations tested were appropriately classified as completed on the tracker. However, evidence provided by management did not demonstrate appropriate completion in respect of three recommendations, relating to the WHO Checklist. Whilst we

| | | |
|--|---|--|
| | <p>recognise that further reminders have been issued and discussions held, further work is required to fully mitigate the risk. We were not provided with evidence to demonstrate compliance is being measured by theatre audits of practice within all service groups consistently;</p> <ul style="list-style-type: none"> - To maintain the integrity of the Tracker, it is imperative that recommendations remain open until they are fully complete. <p><i>Compliance with the NICE guidance; limited assurance.</i></p> <ul style="list-style-type: none"> - Limited Service Group Medical Director attendance at the Clinical Outcomes Effectiveness Group. - Standing Operating Procedure is incomplete and overdue. - Lack of response to guidance publications at Service Group level. - Strengthen arrangements to manage and monitor compliance. <p>Nuria Zolle advised the Medical Director would be invited to the September 2022 audit committee to report on the management response and strategic/operational governance on the internal audit limited assurance report.</p> <p><i>Safety notices and alerts; limited assurance.</i></p> <ul style="list-style-type: none"> - Standard operating procedures requiring review and the absence of formally documented processes for some of the alerts and notices. - Varying arrangements in place to capture and monitor the management of alerts. - Roles and responsibilities are not clearly defined. - Inadequate reporting and escalation process. <p>Hazel Lloyd assured the committee that a task and finish group had been established to meet fortnightly, chaired by herself which would report into a governance group set up around compliance which is a formal group of the new quality and patient safety group. A detailed action plan is in place, which may result in further actions whilst the organisation looks at executive portfolios.</p> <p><i>Standard of Business Conduct – Declarations; Reasonable assurance.</i></p> <ul style="list-style-type: none"> - Raised the high priority finding of the absence of a register to capture secondary employment. - Highlighted the need to implement a solution to ensure completeness and accuracy of declarations of interest to undertake due diligence checks on these as well as finalising the revised staff handbook | |
|--|---|--|

| | | |
|------------------|--|--|
| | <p>which now refers to the health board's standards of business conduct.</p> <p><i>Welsh Language Standards compliance; reasonable assurance.</i></p> <ul style="list-style-type: none"> - Improvement of attendance at the Welsh Language Delivery Group. - To assess and capture compliance at Service Group and Corporate Directorate levels, to support in the embedding of the standards throughout the organisation. | |
| Resolved: | <p>The progress reports were noted.</p> <p>Committee members agreed a revised approach to how updates on recommendations and how to undertake this work going forward, such as a more real time validation of completed recommendations, with updates on this being provided through internal audit progress report which is presented at each committee meeting, and a summary report presented to committee at the end of the year.</p> <p>Action - Internal Audit Report - Limited Assurance report – Compliance with Nice Guidance - To receive the management response and strategic/operational governance on the internal audit limited assurance report. Executive Medical Director has been invited to the September 2022 Audit Committee.</p> | |
| 137/22 | HEAD OF INTERNAL AUDIT ANNUAL REPORT AND OPINION | |
| | <p>The Head of Internal Audit Annual Report and Opinion was received.</p> <p>Osian Lloyd acknowledged the time and cooperation given by directors and staff of the Health Board to support the delivery of the Internal Audit assignments undertaken within the 2021/22 plan.</p> | |
| Resolved: | The final Head of Internal Audit Annual Report and Opinion was noted . | |
| 138/22 | PERFORMANCE AND PROGRESS REPORTS | |
| Resolved: | <p>Committee members welcomed Jason Blewitt to the committee.</p> <p>The performance and progress reports from Audit Wales were received.</p> <p>In introducing the financial audit aspect of the report, Jason Blewitt highlighted the following points:</p> <ul style="list-style-type: none"> - The audit of the 2021-22 Accountability report and financial statements work was completed June 2022. | |

| | | |
|------------------|---|--|
| | <ul style="list-style-type: none"> - The audit of the 2021-22 Charitable Funds Accounts was ongoing and would be completed December 2022. <p>In introducing performance audit aspect of the report, Sara Utley highlighted the following points:</p> <ul style="list-style-type: none"> - The structured assessment work is ongoing and thanked Hazel Lloyd, Director of Corporate Governance and the team for the work in organizing the meetings; - There were a number of reports produced and Sara Utley drew attention to 'Tackling the Planned Care Backlog in Wales.' <p>In discussing the report, the following points were raised:</p> <p>Nuria Zolle acknowledged that it was good to see that work was ongoing relating to the scope of Unscheduled Care in Wales. Nuria Zolle wondered if Audit Wales were looking into flow and discharge given the system pressures, and if the piece of work would give the committee an insight into what radical solutions there are across the board. Sara Utley advised that Audit Wales are including local authority partners into the work, and because the work is taking place throughout Wales hopefully innovative solutions can be sought and shared.</p> <p>Darren Griffiths commented that the work programme was good to see and covered a lot of challenging areas and thanked Audit Wales for the breadth of the work.</p> | |
| 139/22 | AUDIT WALES STRATEGY 2022-27 | |
| Resolved: | Committee members noted the Audit Wales strategy. | |
| 140/22 | FINANCE UPDATE | |
| | <p>A verbal finance update was received.</p> <p>Darren Griffiths provided the committee with the following update:</p> <ul style="list-style-type: none"> - Month three financial position; overspent above plan by just over £500,000. Pressures including workforce costs, variable pay and continuing healthcare (CHC). It was expected to be £6m overspent however the figure is just over £7m. The CHC element is £2.4m overspent to date, so whilst the health board is out by £1m there is £2.4m with CHC, the savings is approximately £900,000. Further work is required on the workforce element due to substantive workforce is £17m underspent however, but £17m on variable pay has been spent to fill the gaps. There are plans in place to tackle | |

| | | |
|------------------|---|--|
| | <p>variable pay, ambitious plans to recruit 350 nurses and a strategic review of CHC is in place;</p> <ul style="list-style-type: none"> - From a savings perspective there has been £26.2m identified and a further update on the composition will be provided to the Performance and Finance Committee. The Chief Executive Officer and Director of Finance and Performance are meeting with outliers. Largely the balance is sitting with Singleton/Neath Port Talbot and Morriston hospital. There is a specific challenge with Morriston where there are overspending on the run rate and are not meeting the saving targets and meetings are being held to offer additional support to help manage the run rate and the savings identification; - Work is ongoing in the exit of the lease of the Bay Field Hospital by a payment of £1m to the landlord by way of compensation and by leaving some of the infrastructure there. A report will go to the July Health Board for approval; - A letter was received from Judith Paget detailing that £24.4m will be given to the Health Board recurrently in response to the submitted plan. For the first time in a while the Health Board will be balanced. | |
| Resolved: | The verbal finance update was noted . | |
| 141/22 | NWSSP PROCUREMENT SINGLE TENDER ACTIONS | |
| | <p>Committee members welcomed Keir Warner, Head of Procurement to the meeting.</p> <p>The NWSSP Procurement Single Tender Actions was received.</p> <p>In introducing the report the following points were highlighted:</p> <ul style="list-style-type: none"> - During the period 01/04/2022 to the 16/06/2022 there were 7 SQAs approved, with a total value of £97,803.97 (excl. VAT) and 15 STAs, with a total value of £1,261,941.25 (excl. VAT). 8 Retrospective action file notes were sent to the Head of Procurement for approval; - The volume and values of SQA/STAs approved is higher than the previous two-month reporting period; - The number of Retrospective Action requests remains similar to the previous reporting period. Values have increased however, there has been a significant breach in relation to the sourcing of locum medical staff. Several meetings have taken place with Medicine and Workforce and OD in order to address this issue. A new process has been agreed to ensure that this situation does not reoccur. The procurement team have worked with the Workforce and OD team to | |

| | | |
|------------------|--|--|
| | <p>establish process for engaging with both Framework and non-Framework agency suppliers. These processes are in the final stages of approval and will be in place by the 1st August 2022;</p> <ul style="list-style-type: none"> - Procurement training sessions have been delivered to GP clusters and were well received. Detail on the communications following the workshop and the documents that were delivered and provided to attendees is available on request; - A wider programme of online procurement training, available to all Health Board staff, has been arranged to be delivered virtually in the summer of 2022. This programme of training will be supplemented by Procurement 'Drop in clinics' at Morriston, Singleton, Neath Port Talbot Hospital, Cefn Coed and Corporate HQ. <p>In discussing the report the following points were raised:</p> <p>Nuria Zolle thanked Keir Warner the inclusion of the management consultancy which was helpful to see. Lessons learnt and improving processes and awareness training of procurement processes amongst health board staff should be referred to the Workforce and OD Committee.</p> | |
| Resolved: | Committee members noted the NWSSP Procurement: single tender actions and quotations report. | |
| 142/22 | INFORMATION GOVERNANCE BOARD UPDATES | |
| | <p>Committee members welcomed Gareth Westlake to the committee.</p> <p>The information governance board update report was received.</p> <p>In introducing the report the following points were raised:</p> <ul style="list-style-type: none"> - Cybersecurity - Kaspersky was replaced with Microsoft Defender and Trend Micro Security Software. As a result of this work the Cyber Security risk on the Health Board Risk register has been reduced from 25 to 20. Work is ongoing nationally with Welsh Government to implement a Cyber Security training package and adopt it as mandatory training. Once this is in place a further assessment of the risk score will be undertaken. Groups have been established across the Health Board to ensure appropriate Business Continuity planning in response to a cyber-incident is in place; - Mandatory IG Training Compliance - Training compliance reported to Jun 2022 IGG has improved by 5% to 82%; - Automatic retention of deleted emails - This is an O365 function called "Litigation Hold" where all email trails are retained by the | |

| | | |
|------------------|--|--|
| | <p>system even if a user deletes them. SBU has only applied this function to selective e-mail accounts based on specific circumstances, as and when required, but other Health Boards/Trusts have applied it across all accounts. This blanket approach has had the unintended outcome of full mailboxes so an emergency Information Governance Management Advisory Group (IGMAG) meeting was held to solve the issue. The outcome from IGMAG was the proposal to have a consistent approach across NHS Wales whereby “Litigation Hold” is turned off and an application can be made to use it on individual mailboxes;</p> <ul style="list-style-type: none"> - Organisational Cyber Issues/Risks - There is a Welsh Government directive to ensure that all partner organisations with whom we have new information flows are certified with Cyber Essentials Plus (CE+). Many do not have this certification, including Swansea University and Swansea Council. This causes projects and proposed new information flows of personal data to not go ahead purely due to this issue. It is being considered nationally. <p>In discussing the report the following points were raised:</p> <p>Nuria Zolle sought clarity on the process of how the issues with Subject Access Requests (SARs) would be escalated to the health board risk register. Gareth Westlake highlighted that there continues to be a marked increase in the volume of complex SARs received, with many extremely complicated to respond to. These two factors have resulted in a capacity/resource issue for a number of teams managing and responding to SARs across the Health Board. It is the clinician’s responsibility to ensure the information which is released is appropriately redacted, but the team are struggling to get the engagement. Therefore there is a risk on the internal information governance risk register that outlines this, which will be considered for inclusion and escalation on the health board risk register. A task and finish group has been established to take forward the solutions to improve the situation, more automated ways of working need to be introduced to help with the increased workload. Director of Digital took to the National Digital Directors group, and other health boards are facing the same problems.</p> <p>Nuria Zolle asked what was being done to encourage mandatory compliance. Gareth Westlake advised that all statistics are reported to the directorates and the paper goes to management board which is flagged as an area of concentration – 95% is the target and the health board is 82% compliant.</p> | |
| Resolved: | The information governance board update was noted . | |

| | | |
|--------|---|--|
| 143/22 | ANNUAL REPORTS FROM HOSTED SERVICES | |
| | <p>The Hosted Services annual report was received.</p> <p>Committee members welcomed Melanie Thomas, Clinical Director Lymphoedema Network Wales to the committee.</p> <p>The Draft Annual Report 2021/22 of the Lymphoedema Wales Clinical Network was received.</p> <p>In introducing the report Melanie Thomas highlighted the following points:</p> <ul style="list-style-type: none"> - Lymphoedema Wales is the collective of the seven Health Board Lymphoedema Services and the National Lymphoedema Team. It is this National Team that is hosted by SBUHB on behalf of NHS Wales; - This report confirms that Lymphoedema Wales Clinical Network are complying with the governance obligations to SBUHB as the host of the service. There are no actions required as the service is compliant with regards to staffing, risk and finance management and clinical programmes of work. <p>Nuria Zolle congratulated staff of the Lymphoedema Wales Clinical Network on a successful year.</p> <p>Committee members welcomed Jeremy Griffith, Director of NHS Wales Delivery Unit to the committee.</p> <p>The Hosted Bodies Governance Report 2021-22 was received.</p> <p>In introducing the report Jeremy Griffith highlighted the following points:</p> <ul style="list-style-type: none"> - Thanks was given to SBUHB in the support received to date; - The Delivery Unit has undergone a restructuring process following realignment of accountabilities which sees Jeremy Griffith as accountable officer of the unit, and arrangements will be made to the responsible officer currently this sits with the Director of Performance which will be noted in future reports; - The Delivery Unit is part of the NHS executive moving forward, and the proposal is in the process of being implemented. The governance of the unit is under review, and Jeremy Griffith wondered how the committee and board wished to be updated moving forward given the health board hosts the unit; <p>In discussing the report the following points were raised:</p> | |

| | | |
|------------------|---|--|
| | <p>Nuria Zolle queried whether we were making good use of the Delivery Unit. In terms of updates moving forward, Hazel Lloyd advised that discussions need to be held outside of committee and an understanding of timeframes. The work can then be mapped into the Audit committees work programme moving forward.</p> | |
| Resolved: | <p>The Draft Annual Report 2021/22 of the Lymphoedema Wales Clinical Network and The Hosted Bodies Governance Report 2021-22 was noted.</p> <p>Action – Discussions to be held outside of the committee on how updates from the NHS Wales Delivery Unit are received to the Audit committee.</p> | |
| 144/22 | ITEMS TO REFER TO OTHER COMMITTEES | |
| Resolved: | <ul style="list-style-type: none"> - Procurement processes from the internal audit to be referred to Workforce and OD Committee to consider lessons learnt, improving processes and awareness of training on procurement processes amongst health board staff. | |
| 145/22 | MEETING EFFECTIVENESS | |
| Resolved: | <ul style="list-style-type: none"> - Hazel Lloyd felt there was good challenge of scrutiny during the meeting. - Darren Griffiths noted the positive progress from the collective committee on the reduction of the audit actions, however acknowledged it isn't clear to see the progress unless you are a part of the committee. Hazel Lloyd advised this is part of the work Len Cozens has carried out on revising procedures and the way in which the report is written. Len Cozens added that he will include a measure of where the outstanding actions stand and he is confident this will demonstrate a significant improvement on where the health board was. Sara Utleigh advised that this work is taking place within Audit Wales in relation to new auditing standards and assured the committee that the same conversations were being held in other committees. | |
| 146/22 | ANY OTHER BUSINESS | |
| Resolved: | No further business was discussed. | |



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Bae Abertawe
Swansea Bay University
Health Board

| | | |
|--------|--|--|
| 147/22 | DATE OF NEXT AUDIT COMMITTEE MEETING | |
| | The date of the next meeting was confirmed as 15th September 2022. | |