

CONFIRMED

SWANSEA BAY UNIVERSITY HEALTH BOARD MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON THURSDAY, 21st NOVEMBER 2019 AT 9.30 IN THE MILLENNIUM ROOM, SBU HQ

Present:	Martin Sollis Maggie Berry Nuria Zolle	Independent Member (in the chair) Independent Member Independent Member	
In Attendance:	Andrew Biston Lynne Hamilton Paula O'Connor Neil Thomas Huw Richards Carol Moseley Jason Blewitt Pam Wenger Len Cozens Jacqui Maunder Claire Mulcahy Darren Griffiths Hazel Lloyd Richard Evans Simon Cookson Helen Higgs Melanie Watson Abisoye Okutobo	Head of Accounting and Governance Director of Finance Head of Internal Audit Deputy Head of Internal Audit Deputy Director, Audit and Assurance Specialist Services Unit Wales Audit Office Wales Audit Office Director of Corporate Governance Head of Local Counter Fraud Services Interim Head of Compliance Corporate Governance Officer Associate Director of Performance (Minute 138/19) Head of Patient Experience, Risk and Legal Services (Minute 137/19) Medical Director (Minute 141/19) Director of Audit and Assurance, Internal Audit (Observing) Head of Internal Audit, Internal Audit (Observing) KPMG (Observing) Shadowee (Observing)	
Minute			Action
131/19	WELCOME AND APOLOGIES FOR ABSENCE		
	Apologies were received from Tom Crick, Independent Member, and Gareth Howells, Director of Nursing and Patient Experience. Martin Sollis welcomed all to the meeting. He highlighted that this was Paula O'Connor's last meeting due to her retirement at the end of the month. He wanted to express the committee's thanks for her huge contribution to the organisation and her pragmatic approach. He wished her a very happy retirement on behalf of the audit committee and all Board members.		
132/19	DECLARATION OF INTERESTS		
	Paula O'Connor advised that she remained a lay member and chair of the City and County of Swansea Council's Audit Committee and declared an interest for this and subsequent meetings. Nuria Zolle advised that her spouse was employed by Wales Audit Office. He worked specifically on national studies and he did not have		

	involvement in the Swansea Bay University Health Board specific audits.	
133/19	MINUTES OF THE MEETING ON 19th SEPTEMBER 2019	
	The minutes of the meeting held on the 19 th September were received and confirmed as an accurate record.	
134/19	MATTERS ARISING	
	Martin Sollis made reference to the Safe Water Management report and advised that a detailed response had been requested for the beginning of December. He stated that this issue was paramount and there was a need to ensure a quick improvement in this area, the issue was being monitored via the Health and Safety committee but he would be seeking further assurance on this issue.	
135/19	ACTION LOG	
	<u>Action Point 1</u> Pamela Wenger advised that the World Health Organisation (WHO) Checklist would be discussed at the Quality and Safety Committee in January and an update would be provided to the Audit Committee in March 2020. <u>Action Point 2</u> Lynne Hamilton advised that the action was completed, a letter had been sent to Director of Finance of Cwm Taf University Health Board.	PW
Resolved:	<ul style="list-style-type: none"> - WHO Checklist update be scheduled for the March Audit Committee following discussion at the Quality and Safety Committee. - The action log be noted. 	PW
136/19	WORK PROGRAMME 2019/20	
	The work programme for 2019/20 was received and noted.	
137/19	AUDIT COMMITTEE SELF-ASSESSMENT	
	Martin Sollis thanked members for their self-assessment returns. He advised that work was underway to make sense of the themes for improvement, so they could be acted upon and used to develop the future committee work programme.	
138/19	LONG WAITERS REPORT	
	Darren Griffiths was welcomed to the meeting. A report providing an update on the Long Waiters was received . In introducing the report, Darren Griffiths highlighted the following points: <ul style="list-style-type: none"> - An exercise had been undertaken by the NHS Wales Delivery Unit to review the processes for managing the health boards longest 	

	<p>waiting planned care patients;</p> <ul style="list-style-type: none"> - It identified that patients were waiting too long for surgery in some specialities which resulted in poor experience , possible increased risk of harm and poor communication with patients; - The review identified 12 recommendations and work has been underway to address each of these; - As at 1st November 2019, there were 1291 patients that had been waiting over a year, 856 of those were orthopaedics/spinal surgery, 180 general surgery and 101 for maxillofacial/cleft lip and palate patients; - 88% of the long waiting patients were accounted for by the above 4 specialties. <p>In discussing the report, the following points were raised;</p> <p>Nuria Zolle made reference to the recommendation to enhance co-production with patients at the outpatient stage in order to reduce the number of patients on the waiting list. She highlighted that for the health board this was done via a patient questionnaire and she raised her concern in terms of the patient safety aspect of this action and in particular using a simple questionnaire to do this.</p> <p>She questioned the extent to which we were are fully delivering coproduced services and asked what we are doing to develop our approach further. Darren Griffiths informed that there had been discussions with Welsh Government, who in turn had set a challenge for the health board in terms of developing mechanisms to address the issues. The health boards planned way forward for improvement on this was via the Clinical Services Plan in particular through the pathway re-design stream and the outcomes from such developments would be overseen by the Assistant Medical Director. Lynne Hamilton further added that funding had been allocated from Welsh Government to aid the development of Value Based Healthcare which would be a direct support in this area. She added that this included a suite of priorities and patient focussed outcomes. This was an ongoing process in which she was working alongside the Medical Director and this was well supported by Welsh Government.</p> <p>Maggie Berry raised a query regarding the interaction between services and patients in terms of whether the patient still needed to be on the waiting list. In particular, she made reference to the orthopaedic patients where just 200 were contacted. Darren Griffiths advised that there were two elements to this, firstly establishing the need to be on the list via a routine validation element and this was business as usual. The contact with the 200 orthopaedic patients was a targeted piece of work – specifically relating to a set of services in Morrison to see if patients could be transferred elsewhere within the health board. He added that the development of a ‘Helpline’ for patients was underway and he would like to see this developed further. Maggie Berry queried whether waiting lists were currently validated and Darren Griffiths replied that yes this was the case and he was confident in the accuracy of this. The independent review which took place had found very few duplications of the 45,000 patients on our waiting list. He advised that the lists are accurate, with a constant</p>	
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	<p>focus needed to ensure this continued.</p> <p>Maggie Berry made the comment that it appeared that communication with GPs and ensuring the link between primary and secondary care was challenging. Darren Griffiths agreed and stated that currently the process of communication was via the discharge letters but there was currently only a 64% completion figure.</p> <p>Paula O'Connor raised a point for accuracy purposes concerning the Mortality reviews, in that the report stated a high performance in mortality reviews but this was only the case for the stage 1 and not the case for stage 2 reviews.</p> <p>Martin Sollis thanked Darren Griffiths for his update. He stated that his concern now was for the clinical priority and validation of long waiting patients and he would need to seek further assurance on this. He requested that this item was referred to the Quality and Safety Committee for monitoring and there needed to be urgent assurance to the board in terms of the clinical prioritisation and that there was no harm to patients. His second point related to ensuring that the health boards response to the recommendations needed to be <i>SMART</i> to ensure that actions were measurable and he would expect this to be come through Quality and Safety Committee. Pam Wenger undertook to work with Darren Griffiths and other lead executives on this.</p>	
Resolved	<ul style="list-style-type: none"> - Long Waiting Patients Review be referred to the Quality and Safety Committee for monitoring , in particular to the clinical prioritisation of patients to assure that the risk of harm was appropriate; - The next iteration of the report to identify SMART objectives; 	<p>PW/DG</p> <p>PW/DG</p>
139/19	HEALTH BOARD RISK REGISTER	
	<p>Hazel Lloyd was welcomed to the meeting.</p> <p>A report on the progress to revise the health board risk register was received.</p> <p>In introducing the report, Hazel Lloyd highlighted the following points;</p> <ul style="list-style-type: none"> - An Executive Team session on Risk Management was held in July 2019 and September 2019; - Executive Directors had updated their risk entries and discussed the full health board risk register (HBRR); - The report covered 12 of the highest risks recorded in the HBRR that are rated 20 and above; - The HBRR entries had be aligned to the sub-committees of the Board and they would receive quarterly reports from January 2020 onwards; - A number of changes had taken place within the Risk Management Policy following it's submission to the risk management group in July and the Audit Committee were asked to endorse the amended policy for submission to the Board. 	

	<p>In discussing the report, the following points were made:</p> <p>Martin Sollis gave his assurance that the risk management process had improved significantly and the work undertaken in its development was starting to pay dividends. He was pleased to see the increased engagement and ownership by members of the Executive Team.</p> <p>Nuria Zolle raised particular concern for the transcatheter aortic valve replacement (TAVI) risk in which she queried whether there had been systematic learning from this. Pam Wenger informed that with regards to TAVI, this would be an example of how the process of risk management had improved significantly. Initially the TAVI risk was not on the corporate risk register, it sat only on the unit risk register and had not been escalated to the board. The process has now changed significantly and the Board has received updates at every meeting. There was now a strengthened process in place and continual effort to improve and strengthen risk management processes. There was now a monthly escalation process where units were asked to consider the highest risks, and this should now be providing more assurance.</p> <p>Maggie Berry commented that she was pleased to see the progress within the report and the ownership taken by Executive leads. She added that going forward, reports on risks would be added to work programmes of the sub committees. Hazel Lloyd stated that there would be regular reports to each of the sub-committees, with the aim of improving visibility of each of the risks scrutinised by each of sub committees and this would in turn, help drive the agendas for the sub-committees going forward. Martin Sollis requested that the risks delegated to the audit committee was added to the agenda for the next committee meeting in January. This would give a great opportunity to help drive down risk and take effective action on each.</p> <p>Paula O'Connor stated that from a recent internal audit of risk management it was clear that unit risk registers were now much more visible and clearer at Board level and there was now also strong links between the Board Assurance Framework and the risk register.</p>	PW/HL
Resolved:	<ul style="list-style-type: none"> - Audit Committee delegated risks report to be an agenda item for the committee in January ; - The risk management policy was approved for ratification by the Board. - The report be noted. 	<p>PW/HL</p> <p>HL</p>
140/19	GOVERNANCE WORK PROGRAMME	
	<p>A report providing an update on the governance work programme was received.</p> <p>In introducing the report, Pamela Wenger highlighted the following points;</p> <ul style="list-style-type: none"> - The Governance Work Programme had been reviewed and updated for 2019-2020; - It included feedback from the Structured Assessment undertaken in 2018-2019, updated actions from each Lead executive, updated actions on recommendations concerning serious incidents and 	

	<p>SBUHB's governance priorities for 2019-2020;</p> <ul style="list-style-type: none"> - Whilst progress had been made on some of the actions, recommendations would remain open until all the actions are completed. <p>In discussion of the report, the following points were raised;</p> <p>Nuria Zolle raised the importance of the framework being owned across the organisation and not being seen as a tick box exercise. She highlighted the need for this to be part of a system wide transformation. Pam Wenger advised that this was a priority, a paper was due at the Board as part of the transformation programme. She advised, this was an ongoing process alongside the health board's focus on key priority areas like targeted intervention. Martin Sollis commented that in order to keep the work programme dynamic, there was the need to ensure the links with the recent structured assessment; the KPMG review and input from both external and internal audit were updated.</p>	
Resolved	The report be noted .	
141/19	AGREEMENT OF MODEL STANDING ORDERS	
	A report providing an update on the model standing orders was received and approved .	
142/19	CHANGE IN AGENDA ORDER	
Resolved	The agenda order be changed and item 6.1 - Finance Update be taken next.	
143/19	FINANCE UPDATE	
	<p>A verbal update on finance was received.</p> <p>Lynne Hamilton highlighted the following points ;</p> <ul style="list-style-type: none"> - There had been a deterioration of financial position in period 7, with a £1.4m overspend and cumulative overspend of £8.7m; - There had been detailed discussions with Welsh Government and Finance Delivery Unit with the support of KPMG in ensuring the robustness of the financial plan; - Work was ongoing for the Board to make a detailed assessment in order to reach a breakeven plan. Assessments were being made on the impact of improving financial balance and balancing quality and patient safety at the same time, ensuring a holistic view of the Board's responsibility; - Work was ongoing alongside the Director of Strategy on a paper for Board which presents an assessment of choices, opportunities and risks; - The matter had been recently discussed at the recent Performance and Finance Committee and this was now a matter for Board decision. 	

Resolved	The report be noted .	
144/19	CLINICAL AUDIT AND EFFECTIVENESSS REPORT	
	<p>Richard Evans was welcomed to the meeting.</p> <p>A report providing and update on clinical audit and effectiveness was received.</p> <p>In introducing the report, Richard Evans highlighted the following points;</p> <ul style="list-style-type: none"> - The purpose of the report was to provide an overview of the health board's position for the first six months of the 2019/20 audit year. - This related to the participation in the mandated list of topics set out by the NHS Wales National Clinical Audit and Outcome Review Advisory Committee (NCA&ORAC) and associated Welsh Government Assurance Process , in addition to reporting the level of local audit activity; <p>In discussing the report, the following points were raised;</p> <p>Nuria Zolle commented that the report gave a frank and honest overview of the clinical audit position. She raised particular concern for the point within the report which states there were not currently robust mechanisms for evaluating compliance with recommendations in relation to National Institute for Health and Clinical Excellence (NICE) guidance. She queried why this wasn't a higher priority considering the significant risk this posed</p> <p>Richard Evans informed that assessments were carried out by the Clinical Director of Pharmacy in relation to adherence to NICE guidelines in medicines and he could assure that this area was very good, with compliance being the highest in Wales. Nevertheless, a particular issue which had come to light was that the implementation of guidance differs across each of the units within the health board and this is something that needs to be addressed. There also needed to be an improvement in compliance in both medical technology and clinical guidance, which were not mandatory but an alignment was needed.</p> <p>Maggie Berry made reference to the Clinical Outcomes Group in which she had attended and commented that she felt disappointed that there was not much focus on local audits.</p> <p>Martin Sollis commented that there did not appear to be a programme in place within clinical audit in terms of addressing and pushing forward the health boards quality and safety agenda. He added that assurance was needed that actions were in place as it appeared a level of risk was being accepted. Richard Evans replied that it needed to be kept in mind that clinical audit should be used to measure against defined or desired standards and that there were separate measures for quality. He agreed that there did need to be an alignment with the organisational strategy and the risk priorities and his aim was to strengthen that.</p> <p>He highlighted the example of Mortality Reviews as a good performing quality measure, with stage 1 reviews performing at 98% and stage 2 (his understanding) the figure stood at 72%. He added that there was also the</p>	

	<p>medical examiner system which was an external review and this added a further level of assurance. Martins Sollis raised the question of what would be the process if there was a concern within a specific service. Richard Evans informed that this would be an active intervention rather than an audit.</p> <p>Martin Sollis referred to a point raised within the report about the lack of resources within clinical audit. Richard Evans advised that an assessment had been carried out, in conjunction with the Director of Nursing, and benchmarking with another health board. It focussed on the quality and safety structure and the ability to utilise the skillset already within the organisation to get all measures of quality, standards, outcomes and patient experience in one place.</p> <p>Martin Sollis finalised by stating that he would like this item to be referred through to Quality and Safety committee for monitoring and he would request feedback on progress in due course. Richard Evans added that he had been asked to measure against the recommendations within the Cwm Taf joint review report by the 6th December and this would give a much a clearer view.</p>	
Resolved	<ul style="list-style-type: none"> - Clinical Audit and Effectiveness update be referred through the Q&S committee and an update be fed back to the Audit Committee in due course. - The report be noted. 	PW
145/19	<p>NHS WALES SHARED SERVICES PARTNERSHIP (NWSSP) INTERNAL AUDIT PROGRESS AND ASSIGNMENT SUMMARY</p>	
	<p>A report setting out internal audit progress and completed assignment summaries was received.</p> <p>In introducing the reports, Neil Thomas highlighted the following points:</p> <ul style="list-style-type: none"> - Six reports had been finalised with Executive Leads since the last meeting, four were in draft and there were six audits in progress; - Of the six final, one was of <i>substantial assurance</i>, two had a <i>reasonable assurance</i> rating and three with <i>no rating</i> had been assigned; - Three of the six had no rating assigned: GP out of hours Services: Quality Standards Reporting and Nursing Quality Assurance and Commissioning: Service Level Agreements - There had been a request to reschedule the Health & Care Standards audit to the end of the year and to defer the Consultant Job Planning arrangements to the new year; <p>In discussion of the report, the following points were raised;</p> <p>With regards to the appended GP Out of Hours audit, Neil Thomas advised that no assurance rating had been assigned as issues had been identified with the reliability of reporting arrangements that affected other NHS Wales organisations in addition to SBU, the solutions to which required partnership working. This affected those health boards who used the 111 services. He informed that work was underway to address this but</p>	

	<p>Guidance and best practice had also been re-issued.</p> <p>Martin Sollis stated that estates was an area of concern at the moment, and he would be asking managers to attend Audit Committee in order to gain assurance on the control mechanisms put in place to address the issues and also their approach to compliance with health board processes. Action was needed to gain assurance that controls were in place in order to protect both individuals and the organisation.</p> <p>Paula O'Connor added that work was underway in terms of contract management and addressing the weaknesses in this area across the organisation. The Head of Procurement had recently presented at a recent Senior Leadership Team and Pam Wenger added it would be helpful to invite him to the next meeting to provide an update on this work. Martin Sollis added that he was pleased with the Head of Procurement's standard of reporting and also his challenge, the Audit Committee would be supporting him to push this through.</p>	PW
Resolved	<ul style="list-style-type: none"> - Huw Richards to forward information surrounding breaches of SO and SFI's to Pam Wenger - The Head of Procurement to be invited to next committee to update on the work underway to improve contract management across the board. - Deferral of the planned internal audit review of Consultant Job Planning for re-consideration within 2020/21 was approved. 	HR PW
146/19	WALES AUDIT OFFICE PROGRESS REPORT	
	<p>The progress report from Wales Audit Office was received.</p> <p>In introducing the report, Carol Moseley and Jason Blewitt highlighted the following points:</p> <ul style="list-style-type: none"> - The audit of the transfer of assets and liabilities from ABMU to Cwm Taf Health Board had been completed; - Two errors highlighted and amended within the S1 and S2 returns, nothing else had come to their attention to indicate that the entries within the form did not agree with the accounting records of ABMU; - The management responses of The Wellbeing of Future Generations Act audit were in preparation; - The Structured Assessment report was currently being drafted with key messages already fed back to Pam Wenger, the Chief Executive and the Chair; - The Quality Governance audit forward work programme had been pulled together, with fieldwork expected to start in early 2020; <p>In discussion of the report, the following points were raised;</p> <p>With regards to the S1 and S2 transfer in respect of Bridgend, Martin Sollis thanked both Wales Audit Office and Andrew Biston for their work through this extensive process. He commented that a letter to Cwm Taf had been sent to ensure they were fully sighted on all aspects and this should avoid any further disputes.</p>	

	<p>Carol Moseley informed that the Quality Governance audit would consider similar themes to the recent Cwm Taf joint review. Pam Wenger advised that a pro-forma had been received from Welsh Government, which requested information on how well the health board measured up to the recommendations set out in the Cwm Taf review. This had been circulated to allocated leads within the health board for completion by the 4th of December in readiness for submission to Welsh Government in January.</p> <p>With regards to the number national audits published and appended, Pam Wenger informed that the health board was in process of completing the local management responses. In particular to those in the partnership space, of which the Director of Strategy was the lead. These would be factored into the agenda for January.</p>	
Resolved	<ul style="list-style-type: none"> - The local management responses to the national Wales Audit Office reports be added to the agenda for January. - The report be noted. 	PW
147/19	FINANCIAL CONTROL PROCEDURE REVIEW PLAN	
	A report providing an update on the financial control procedures review plan was received and noted .	
148/19	AUDIT REGISTERS AND STATUS OF RECOMMENDATIONS	
	<p>A report providing an update in relation to audit registers and action plans was received.</p> <p>In introducing the report, Andrew Biston highlighted the following points:</p> <ul style="list-style-type: none"> - The number of outstanding recommendations had increased during the period August 2019 to October 2019; - As at the 25th October 2019, 19 final internal audit reports had been issued, of which 2 had a limited assurance and 3 without an assurance rating; - Of the internal audit recommendations, there were total 133 outstanding for the period and 27 of those were high priority recommendations; - Of the external audit reports issued, there were a total of 99 outstanding recommendations, 28 of which were of a high priority; <p>In discussing the report, the following points were raised:</p> <p>Andrew Biston further added that a number of the reports had been issued during June, July and August of 2019 and it appeared that the deadline set for completion of recommendations was over ambitious in some cases. Nuria Zolle commented that there appeared to be a culture of optimism in the organisation, in terms of being too ambitious with setting deadline dates for recommendations.</p> <p>Martin Sollis added that there need to be improvement on the agreed dates for completion and Executives needed to take a responsibility for these dates. He added that there had been an improvement but the figures were still too high. Of the highest number of outstanding recommendation</p>	

	<p>he would like to invite leads to the Audit Committee to discuss further. For the next meeting he would like the attendance from the Chief Operating Officer and the Director of Nursing and Patient Experience to discuss their overdue recommendations and he would like a focus on high risk areas and patient safety aspects.</p> <p>Paula O'Connor commented that she felt Executives are much more engaged that they have ever been. Some of the longer overdue recommendations are due to a change in the portfolios and also change in the Executive Director.</p>	
Resolved:	<ul style="list-style-type: none"> - COO and Nurse Director be invited to committee in January to discuss the overdue recommendations assigned to those areas. Reports to focus on the recommendations within the high risk areas and a focus on the patient safety aspect. - The report be noted. 	PW
149/19	NWSSP PROCUREMENT : SINGLE TENDER ACTIONS AND QUOTATIONS	
	<p>A report setting out Single Tender Action (STAs) and Quotations (SQAs) approved since the previous meeting was received.</p> <p>In discussing the report , the following points were raised;</p> <p>Martin Sollis commented that the reports to Audit Committee had improved significantly, although he felt the challenge in the context of budgets did not come through in the narrative of the report and requested this be included within the next iteration.</p>	LH/KW
Resolved:	<ul style="list-style-type: none"> - Next iteration of the report to include information on the challenge or approval in the context of budgets. 	LH/KW
150/19	WELSH AMBULANCE SERVICE TRUST (WAST) HANDOVER FOLLOW UP REVIEW	
	<p>A report providing an update on the handover of Care at Emergency Departments and the follow up WAST internal audit report was received.</p> <p>In introducing the report, Pamela Wenger advised the report aims to provide the Audit Committee with assurance that there has been progress on the delivery on the actions recommended within the internal report. Although the internal audit was undertaken for WAST, some elements were relevant to Swansea Bay Health Board therefore assurance has been sought on a number key issues. Martin Sollis added that he felt assured that there was a constant drive by Chief Operating Officer on a daily basis to improving the position but challenges remained.</p> <p>Pam Wenger undertook to share this report with WAST colleagues.</p>	PW
Resolved	<ul style="list-style-type: none"> - Pam Wenger to share the report with colleagues in WAST. - The report be noted. 	PW
151/19	INFORMATION GOVERNANCE GROUP CHAIRS ASSURANCE	

	REPORT	
	<p>A report providing an update on the Information Governance Group was received.</p> <p>Martin Sollis requested that further iterations of the report would include information on breaches and the implications of them. Pamela Wenger undertook to arrange this.</p>	PW
Resolved:	<ul style="list-style-type: none"> - Further iterations of report include the detail and implications of data breaches. - The report be noted. 	PW
152/19	DIGITAL SERVICES MANAGEMENT GROUP CHAIR'S ASSURANCE REPORT	
	A report providing an update on the Digital Service Management Group was received .	
153/19	ANY OTHER BUSINESS	
	There was no further business and the meeting was closed.	
154/19	NEXT MEETING: Thursday, 16th January 2020	