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Bwrdd Iechyd Prifysgol
Bae Abertawe
Swansea Bay University
Health Board



		Agenda Item	2.3 (iv)
Freedom of Information Status		Open	
Reporting Committee	Audit Committee		
Author	Georgia Pennells, Corporate Governance Officer		
Chaired by	Nuria Zolle, Independent Member		
Lead Executive Director (s)	Hazel Lloyd, Director of Corporate Governance		
Date of meeting	17 November 2022		
Summary of key matters considered by the committee and any related decisions made.			
<ul style="list-style-type: none">Finance Update <p>At the end of month 7 the health board saw an overspend by £0.5m which took the cumulative position to the end of October 2022 of £3.7m overspend, the health board was still forecasting a balanced position, and the only health board in Wales able to do so. Current key areas of pressure included variable pay costs which were now above pre-covid levels and quite a challenge, continuing non-pay pressures in clinical supplies, continuing healthcare, and issues with non-delivery of the savings targets. In terms of the savings targets, a target of £33.6m was set for this financial year, there were plans for £32.4m but around 10% of that was identified as red and plans were required to ensure the target is achieved. In terms of the local actions, the Director of Finance and Performance and the Chief Executive Officer have a clear programme of work to ensure the health board hits the breakeven position, service groups have been set clear targets for their year-end delivery, and regular meetings are held with those groups who aren't achieving their targets, a finance summit has been held with all senior leaders to confirm the action required to achieve the breakeven position. An independent financial improvement support commenced in Morriston service group in September 2022.</p> <p>Key issues raised by members;</p> <ul style="list-style-type: none">The importance of oversight by the Performance and Finance Committee. <ul style="list-style-type: none">NWSSP Procurement Single Tender Actions and Quotations <p>During the period 13/08/2022 to the 26/10/2022 there were 13 SQAs approved, with a total value of £172,689.75 (excl. VAT) and 11 STAs, with a total value of £944,835.76 (excl. VAT). 2 Retrospective action file notes were sent to the Head of Procurement for approval. Going into the last quarter of the financial year, there would be a high volume of STAs and SQAs the main reason being, most equipment is bought at the end of the financial year due to capital money.</p> <p>Key issues raised by members;</p> <ul style="list-style-type: none">Director of Corporate Governance to raise at an executive board meeting the importance of the need for the involvement of executive colleagues in the accountability of procurement and the key role they play in strengthening this message across the board. <ul style="list-style-type: none">Audit registers and status of recommendations			

The report highlighted the overdue actions and the extended actions, there were 11 overdue actions for Audit Wales and 84 overdue actions for internal audit. In terms of the overall trajectory, there has been a significant reduction in the number of overdue actions since January 2021. It was suggested that the overdue actions would be reported through the Management Board moving forward.

Key issues raised by members;

- *Recognition regarding the level of the extensions had been a concern for the Audit Committee for some time, and members were keen to receive sufficient assurance and oversight;*
- *Concern that the discharge of planning recommendation was slipping for both internal audit and Audit Wales and this was a concern given the numbers of clinically optimised patients and the acute medical service redesign.*

- **Board Effectiveness Action Plan**

The executive team developed an action plan with the intention to involve the sub committees of the board in overseeing the plan and its implementation. An external company would be brought in to facilitate a session to assess the board effectiveness.

Key issues raised by members;

- *There were elements which were slightly off track but due to the coding not aligning with what the board was used to, it was difficult to assess and it would be useful to receive a sense of an overall position.*

- **Voluntary sector recommissioning process update**

In January 2021 the Health Board agreed to a revised timescale for the recommissioning process with it planned for completion by end March 2023. External workshops have taken place where excellent stakeholder attendance from voluntary sector organisations had been seen. The workshops have provided opportunities for feedback to influence the process and have been well received by the sector who have appreciated being involved in the development of the process and the regular updates around progress. There continues to be significant pressures experienced by the voluntary sector, as with all sectors, in relation to cost of living rises. However, this had been exacerbated by the long-time flat funding for services in spite many of them now having to pay the living wage in Wales which has increased their baseline costs. Therefore it was proposed that an uplift of funding for the sector in 2023-24 of 3-4% should be applied from underspends in the existing voluntary sector budget; it was noted the budget will not overspend as a result of this proposal.

Key issues raised by members;

- *Engagement from service leads from within the Health Board continues to be a challenge and the appetite to participate in the task and finish groups originally proposed to complete the specifications is very limited;*
- *Director of Corporate Governance would confirm the reporting structure and committee oversight moving forward.*

Key risks and issues/matters of concern of which the board need to be made aware:
None identified.
Delegated action by the committee:
None identified.
Main sources of information received:

The following reports were received with no significant issues raised:

- **Board Assurance Framework**
- **Guardian Service update**
- **Board Effectiveness Assurance programme**
- **Health Board Risk Register**
- **Internal Audit and Audit Wales Performance and Progress reports**
- **Audit Wales' report on Equality Impact Assessments and the health board's response**
- **Regional Pathology Management Model**
- **Capital Policy and Manual**
- **Financial Control Procedure Review Plan**

Highlights from sub-groups reporting into this committee:

Information governance group report was received and noted.

Matters referred to other committee

The advisory review of the ESR Self Service would be referred to the **Workforce and OD Committee** to include a discussion around the financial risks.

Date of next meeting

19th January 2023