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Bwrdd Iechyd Prifysgol  
Bae Abertawe  
Swansea Bay University  
Health Board



		Agenda Item	2.3 (iii)
<b>Freedom of Information Status</b>		Open	
<b>Reporting Committee</b>	Audit Committee		
<b>Author</b>	Claire Mulcahy, Corporate Governance Manager		
<b>Chaired by</b>	Martin Sollis, Independent Member		
<b>Lead Executive Director (s)</b>	Pam Wenger, Director of Corporate Governance		
<b>Date of last meeting</b>	12 November 2020		
<b>Summary of key matters considered by the committee and any related decisions made.</b>			
<ul style="list-style-type: none"> <li> <b>Board Assurance Framework</b>            The committee received an update on the progress of the Board Assurance Framework. The report highlighted the history, proposed actions and the embedding of the BAF into the ongoing risk and assurance process, in particular its alignment with the corporate risk register and committee work programmes. Members agreed that it was important to understand how the framework would be used in practice and requested it to be operational from 2021. Members were advised that this would dependent on the pressures of COVID-19 as the framework required substantial input from Executive Directors and their teams.         </li> <li> <b>Guardian Service</b>            An update was received on the progress to date and committee were advised of the 133 contacts to the service, of which 61 had been resolved. Members were informed that there had been some resistance from Trade Unions in terms of the extension of the contract and this was currently being worked through. Following discussion at a recent Senior Leadership Team, it was strongly advised that given the current pressures on staff due to the pandemic that the contract is to be extended for a further 12 months and a review was to take place at 9 months. Audit Committee supported this decision.         </li> <li> <b>Internal Audit Progress Report</b>            Members were advised of the progress to finalise the audit assignments. From a total of thirty five audit reviews within the audit plan for 2020-21, five had been finalised, one issued in draft, ten remained in progress, seventeen had not yet been started and two would be reported at year end. Of the five finalised reports, one was a <i>substantial assurance</i> rating; one had a <i>reasonable assurance</i> rating and no assurance ratings were applicable for the other reviews.         </li> <li> <b>Revised Internal Audit Plan 2020-21</b>            The committee received the updated Audit Plan for 2020-21 which had been revised in light of the impact of the pandemic on organisational risks and priorities. Members were advised that the plan would remain flexible and would continue to be reviewed throughout the remainder of the year.         </li> </ul>			

- **Update report on actions related to the audit on governance arrangements during COVID and the field hospital assurance review**

An update on the progress of the action plan following the COVID -19 governance arrangement review was received. Members were assured by the actions being taken and noted that a follow up review would be required and the scoping and field work would commence in November 2020.

Members also received an update on the field hospital assurance follow up project gateway review which was undertaken by Welsh Government on 12<sup>th</sup> October. The committee was informed that improvements and actions had been acknowledged and the assurance rating had been improved to Amber. Good progress was being made on all further actions and these were currently being worked through and overseen by the Health Board Silver and the Field Hospital Operational Groups.

### **Key risks and issues/matters of concern of which the board needs to be made aware:**

- **Health Board Risk Register**

Members were advised of the separate COVID-19 risk register and its links back to the health board risk register. The highest COVID risks related to *Care Homes, Delivery of Essential Care, Nosocomial transmission* and the *risk of the emergency department closure*. The following new financial risks had been added to the health board risk register; *the total quantum of funding for 2020/21; the impact of COVID-19 on the Capital resource limit and capital plan in 2020/21* and the potential *increase in the residual cost base for next year*. The risk score had also been increased from 16 to 20 for *Access to Unscheduled Care*.

The Committee noted that support would be provided to each Committee Chair to agree how the priority list of the highest risks assigned to individual committees would be used to set committee work programmes to ensure that appropriate scrutiny took place.

- **Finance Update**

Members were advised that the financial position for period 7 stood at an in-month overspend of £2m resulting in a cumulative overspend of £14.8m. The year-end forecast deficit now stood at £25.4m from £96m and this was a result of the allocated funding for COVID -19 being applied. Members were assured that all the funding assumptions in the plan had now been signed off and this provided more certainty in relation to the forecast position.

- **Project Bank Accounts for Capital Schemes**

A report was received seeking approval for the approach to the set up and management of Project Bank Accounts which has been mandated by Welsh Government for all major capital schemes. The first project bank account needed is required for the Singleton cladding scheme. These accounts are ring fenced bank accounts that are used for transferring funds from health boards to supply chain partners and sub-contractors in a transparent manner that should help sub-contractors with their cash flow. Members sought further assurance in terms of the risk and benefits of these accounts. In which they were advised that as we would be the first Board to use an account, the practicalities were still being worked through.

As this national mandated requirement was still in development, members agreed to approve the update to the SFI in terms of the new requirements. It was agreed that this should only be used to facilitate arrangements for the Singleton Cladding Scheme in the first instance and wider use would be subject to a further update in due course when more detail on the national requirements were known.

### **Delegated action by the committee:**

None identified.	
<b>Main sources of information received:</b>	
<p>The following reports were received with no significant issues raised:</p> <ul style="list-style-type: none"> <li>- <b>Governance Work Programme</b></li> <li>- <b>Review of Standing Orders</b></li> <li>- <b>Standards of Business Conduct</b></li> <li>- <b>Audit Wales Performance and Progress Report</b></li> <li>- <b>Losses and Special Payment</b></li> <li>- <b>Financial Control Procedure Plan</b></li> <li>- <b>NWSSP Procurement Single Tender Actions and Quotations</b></li> <li>- <b>The SIRO Annual Report</b></li> <li>- <b>Information Governance Strategy</b></li> <li>- <b>Information Governance Assurance Report</b></li> <li>- <b>Hosted Agencies Annual Report</b></li> </ul>	
<b>Highlights from sub-groups reporting into this committee:</b>	
None identified.	
<b>Matters referred to other committees</b>	
None identified.	
<b>Date of next meeting</b>	12 January 2021