

ALL WALES AUDIT COMMITTEE CHAIRS (AWACC) MEETING HIGHLIGHT REPORT

Date of Meeting	3rd September, 2024
Chair Name Chair Organisation	Nuria Zolle Independent Member, Chair Swansea Bay University Health Board
Secretariat Secretariat Organisation	Amelia Cole Swansea Bay University Health Board

In Attendance:	
Simon Cookson (SC)	Audit Wales
Amelia Cole (AC)	Corporate Governance Officer (Note Taker)
Peter Curran (PC)	Welsh Ambulance Service NHS Trust
Stephen Elliot (SE)	PTHB – Corporate
Matthew Evans (ME)	Swansea Bay University Health Board
Abigail Harris (AH)	Cardiff and Vale UHB - Executive Director Planning
Iwan Jones (IJ)	Aneurin Bevan UHB – Executive Board
Gareth Jones (GJ)	Velindre – Independent Member
Hazel Lloyd (HL)	Swansea Bay University Health Board
Dave Thomas (DT)	Audit Wales
Rhian Thomas (RT)	Cardiff and Vale University Health Board

Apologies:	
Karen Balmer	BCUHB – Independent Member
Anne Beegan	Audit Wales
Graham Dainty	NWSSP – NHSCFS Wales
Rhobert Lewis	PTHB – Independent Member
Patsy Roseblade	Cwm Taf Morgannwg – Corporate Services
Jayne Sadgrove	HEIW – Independent Member

The following is a summary of the main issues discussed at the meeting

1. Welcome and apologies

The chair opened the meeting and welcomed all.
The Committee noted apologies above.

2. Minutes from the 22/07/2024

Members were asked to consider the minutes of the previous meeting. There were no pending actions other than the work plan priorities.

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3. Highlight report including action log

Agreed actions:

- Committee members will share the AWACC operating arrangements with their respective chairs.
- Ameila will send regular meeting reminders and forward the agreed schedule to all members.
- Committee members as per agreed operating arrangements will ensure a substitute from their organisation attends the meeting if they are unable to attend.

Action:

Amelia Cole to send regular reminders for the AWACC meetings.

Amelia Cole to share dates with AWACC members, members to ensure there is a substitute attendee if they are unable to attend.

4. Matters arising not otherwise on the agenda

- There were no other matters arising.

5. Audit Trackers

Simon Cookson highlighted the following points:

- Many organisations have complex spreadsheets with accompanying reports which set out the progress against the agreed recommendations;
- Some organisations will invite a person from the relevant directorate for that report to explain why something would not be on time or why an extension was needed;
- Internal Audit recommendations are followed up each year to see if they have been implemented;
- Audit committees have a tracker in place for confirmation from management that those actions have been implemented;
- There needs to be a degree of evidence or narrative to support that confirmation;
- There are areas chairs may wish to consider, Examples include: how does the organisation deal with recommendations that management do not feel are longer relevant? How does an organisation consider the impact of the recommendation being implemented;

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- There are mixed approaches from organisations when it comes to audit tracking, some are using AMAT, others are developing their own digital approach and the smaller organisations are continuing to use spreadsheets and reports;
- The importance of measuring the impact of implementation on systems of governance, risk and control.

Members highlighted:

- Gareth Jones informed the committee that Velindre applied pressure to their executives to reduce the number of outstanding recommendations.
- Stephen Elliot raised the issue of older outstanding recommendations and the relevance of them. Stephen Elliot informed Simon Cookson that he would be interested in introducing the idea of AMAT to Powys.
- Dave Thomas stated that there was an issue with recommendations being on the tracker for years. Dave Thomas said that some of the recommendations are followed up in the work programme which allowed the recommendation to be updated. Other recommendations go to the Health Board (HB) for discussion as to whether it would still be valid.
- Peter Curran raised concerns as to how much resource was taken up in chasing recommendations and highlighting that many problems stem back to the original internal audit reports questioning whether realistic timelines were put in place.
- The chair agreed that it was important to understand if organisations are making the best use of their resources in terms of addressing failings and service improvements. The chair highlighted the importance of realistic timeframes and having very clear actions that address the recommendations in the first place. She noted, that in respect of AMAT some colleagues have discussed limitations to the system. The chair sought information from other committee members who had implemented AMAT. The chair was also keen to find out how others were ensuring widespread ownership at an executive level of audit recommendations
- Hazel Lloyd shared how in Swansea Bay management board was provided every month with a list of overdue actions. Any actions which are due within three months were discussed at management board

Dave Thomas highlighted the following points:

- The purpose of tracking audit recommendations: key element of good corporate governance;
- Ensures gaps/deficiencies are identified by audit and acted upon;

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- Ensures important issues do not fall off the radar;
- Important for organisations for overall approach to service improvement;
- Audit tracking needs to be seen as a core part of committee business;
- Important to close recommendations to quickly;
- Organisations need to have a consistent approach across all recommendations;
- There are no major concerns to raise as to how NHS bodies are progressing their tracking systems. Some organisations have advanced more than others, overall organisations are moving in the right direction;
- Using this group to share good practice would be beneficial.

In discussions:

- Gareth Jones queried how many recommendations would a typical organisation have outstanding at any time.
- Dave Thomas stated this would depend on the audit work carried out in recent history. Factors such as a realistic and practical recommendations and the timescale set play a part.
- Simon Cookson agreed it depended on the significance and priority of the recommendation. Simon Cookson suggested carrying out comparison over time.
- Hazel Lloyd said its ideal to have smart actions at the start then focusing on the overdue recommendations. Hazel Lloyd informed that organisations do have a risk based internal audit programme and having a limited assurance report benefits so long as the organisation keeps to the timescale.
- The chair discussed the impact on organisations in terms of efficiency of services, service improvement, impact to patient and staff. The chair queried if there were any tools or ideas that measure impact.
- Dave Thomas replied that there was no tool to measure impact. Dave Thomas said keeping a focus on what the original recommendation was seeking to achieve was important.
- Peter Curran highlighted that the recommendations that can be controlled are being worked on. There are elements that prevent a recommendation being completed such as funding. Peter Curran discussed management issues and how this can depend on other organisations to do their part in closing a

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recommendation. Some audit trackers fall into that category highlighting how the issue was more complex than identifying the recommendation as outstanding.

- Simon Cookson said the NHS had many challenges around funding and it was important to look towards partnership working, partnership governance and the importance of the partners working together to address the issues.

The chair highlighted the opportunity to discuss further ideas at the end of the agenda in particular how organisations can improve their audit trackers. The chair stated it would be helpful to hear Hywel Dda University Health Board's view on how their new audit tracker was working out.

6. Commissioning Arrangements

Abigail Harris highlighted the following points:

- The Joint Commissioning Committee (JCC) is made up of seven HB's, chief executives and six lay members who do not sit on any other organisation;
- Members cannot abstain from a vote and decision making;
- There are three lay members currently in post;
- It was recommended that the JCC should have a subcommittee to provide the right assurance around delivering the business of the JCC;
- The expectation was that the JCC has an audit and risk committee, finance planning and performance committee and a quality and safety and outcome committee;
- The JCC work closely with the governance directors in each HB;
- The JCC are part of the Cwm Taf Morgannwg University Health Board (CTMUHB) risk committee where they consider hosted bodies;
- If a complaint and concern is raised about the commission service under the new arrangements these need to be passed on to the HB to ensure they are part of the HB agenda;
- Engagement consultation remains the responsibility of the HB;
- Commissioning on behalf of the HB for your population to ensure they have access to quality of care.
- The chair highlighted the need for clear links with audit committees, HB and other bodies and the work carried out in terms of the governance arrangements. The chair understood that the JCC quality and safety committee and the performance and finance committee was run by the lay

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members and a selection of the lay members were in those committees – confirmation was sought. The chair asked Simon Cookson if the work carried out around governance would look at the audit committee structure and the assurance that organisations need.

- Simon Cookson replied that this work can be picked up in terms of both the advisory and further work.
- Abigail Harris suggested setting out a flow chart. The agreement states that CTMUHB acts on behalf of all organisations when holding JCC account through the audit and risk committee. Abigail Harris highlighted the question how do you get assurance that CTMUHB was doing a good job holding the JCC to account in terms of assurance.
- Gareth Jones said the focus has been on HB, he queried what the JCC does for organisations.
- Abigail Harris replied the JCC was a committee operating on behalf of the health boards Abigail Harris gave an example that JCC could commission specialist cancer services for Velindre particularly in the South Wales population as a provider.

The chair requested the JCC kept members of the AWACC informed and at breast of new development in relation to Cwm Taf Morgannwg audit and risk arrangements.

7. National Updates – counter fraud board secretaries

The Committee **received** the report.

Matthew Evans highlighted the following points:

- The report was based on Q1 this year;
- The local report has been shared as a benchmark report, the information comes from the operational report. It is benchmarked on an All-Wales average;
- Important to look at what an effective counter fraud service would be and what do the team want to measure;
- A national meeting was held which was attended, the meeting focused heavily on finance;
- The fraud team have a large-scale proactive risk management process which is delivered, the statistic report does not reflect this;

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- Counter fraud takes on a lot of proactive work around delivering more benefits in organisations for example strengthening procedures;
- The team have looked at existing data and building on data mechanisms and trackers around risk reduction awareness intervention;
- Comments are welcome, what the counter fraud service may see as effective may not be effective from an assurance perspective.
- The chair queried what was to happen next and when would counter fraud want AWACC to contribute.
- Peter Curran highlighted work with Carl Window, Counter Fraud Manager, and queried how Carl Window and the team could interact with the fraud team. Peter Curran also raised trends that were seen in particular staff having alternative work and not informing the NHS. Peter Curran questioned if this was replicated on a wider scale.
- Matthew Evans informed the group that he interacts with Carl Window regularly and identifying these trends were raised and data was used. Matthew Evans stated the benchmarking reports are discussed and trends are picked up. Matthew Evans highlighted the importance of recognising the trends early. Matthew Evans informed the group he will be liaising with colleagues to ensure AWACC members can feed the national work of Counter Fraud.

8. Update from board secretaries

In presenting the position, Hazel Lloyd highlighted the following points:

- The subgroup of the directors of corporate governance met on 23rd August 2024;
- The commitment to develop an induction for All Wales Audit Committee Chairs was discussed;
- Information was needed for an induction programme, where it could be held and potentially having a shared team's folder in a resource section for people to revisit after an initial induction was discussed;
- It was noted the handbook needed to be reviewed;
- There was a need for an easy read guide.
- Gareth Jones asked if there was any work taking place to reduce the volume of papers that come to audit committees and for example the Trust Board.

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- Hazel Lloyd responded by ensuring this would be mentioned in the subgroup meeting and a follow up will be provided.

9. Open learning and meeting effectiveness

- Stephen Elliot said he believed the meeting had gone well but raised the issue of poor attendance.
- Gareth Jones agreed the meeting had gone well but also felt attendance was poor.
- Peter Curran was pleased with the meeting and was pleased to meet the group stating it was a great networking opportunity.
- Dave Thomas suggested through the board secretary and the corporate governance directors network the chair could feedback comments regarding the attendance to the AWACC group for support from our colleagues to improve attendance and potentially understand the difficulty of colleagues attending.
- Hazel Lloyd noted that lack of attendance will be discussed in the next directors of corporate governance meeting.

10. Any other business:

- Hazel Lloyd informed the group that all organisations know that Welsh Government are taking a different approach to monitoring and had asked for assurance in relation to the implementation of recommendations arising from limited assurance reports.

11. Date of next meeting:

The date for the next meeting is 10th December 2024.

Actions:

4. Regular reminders for the AWACC meetings - AC
5. To share dates with AWACC members, members to ensure there is a substitute attendee if they are unable to attend - AC