



**COFNODION Y CYFARFOD PWYLLGOR ARCHWILIO A SICRWYDD RISG  
HEB EU CYMERADWYO / UNAPPROVED MINUTES OF THE AUDIT AND RISK  
ASSURANCE COMMITTEE MEETING**

Date and Time of Meeting:	9.30am, Thursday 11 May 2023
Venue:	Board Room, Ystwyth Building, St David's Park, Carmarthen and via Microsoft Teams

Present:	Cllr. Rhodri Evans, Independent Member (Interim Committee Chair) Mr Winston Weir, Independent Member (Committee Vice-Chair) (VC) Mr Maynard Davies, Independent Member Mrs Judith Hardisty, Vice-Chair, HDdUHB
In Attendance:	Ms Anne Beegan, Audit Wales (VC) Ms Lucy Evans, Audit Wales (VC) Mr Anthony Veale, Audit Wales (VC) (part) Mr James Johns, Head of Internal Audit, NWSSP Mr Eifion Jones, Internal Audit, NWSSP (VC) (part) Mr Martyn Lewis, Internal Audit, NWSSP (VC) (part) Mrs Joanne Wilson, Director of Governance/Board Secretary Mr Andrew Spratt, Deputy Director of Finance (VC), deputising for Mr Huw Thomas, Director of Finance Ms Rhian Davies, Assistant Director of Finance, deputising for Mr Huw Thomas, Director of Finance Mr Timothy John, Senior Finance Business Partner Miss Charlotte Wilmshurst, Assistant Director of Assurance & Risk Professor Phil Kloer, Deputy Chief Executive/Medical Director (part) Ms Helen Williams, Head of Medical Education & Professional Standards (VC) (part) Mr Andrew Carruthers, Director of Operations (VC) (part) Mr Jason Wood, Major Capital Development Manager (VC) (part), deputising for Mr Rob Elliott, Director of Estates, Facilities and Capital Management Ms Stephanie Hire, General Manager Scheduled Care (VC) (part), deputising for Mr Keith Jones, Director of Secondary Care Mrs Tracy Price, Performance Manager (VC) (part) Mr James Field, Assistant Director of Communications (VC) (part) Mr Anthony Tracey, Digital Director (VC) (part) Ms Clare Moorcroft, Committee Services Officer (minutes)

Agenda Item	Item
AC(23)84	<p><b>Introductions and Apologies for Absence</b></p> <p>Cllr. Rhodri Evans, Audit &amp; Risk Assurance Committee (ARAC) Chair, welcomed everyone to the meeting. Apologies for absence were received from:</p> <ul style="list-style-type: none"> <li>• Mr Huw Thomas, Director of Finance</li> <li>• Mrs Mandy Rayani, Director of Nursing, Quality &amp; Patient Experience</li> <li>• Mrs Lisa Gostling, Director of Workforce &amp; OD</li> <li>• Ms Jill Paterson, Director of Primary Care, Community &amp; Long Term Care</li> </ul>

	<ul style="list-style-type: none"> <li>• Mr Rob Elliott, Director of Estates, Facilities and Capital Management</li> <li>• Mr Keith Jones, Director of Secondary Care</li> <li>• Ms Louise O'Connor, Assistant Director (Legal and Patient Support)</li> </ul>	
--	--	--

<b>AC(23)85</b>	<b>Declaration of Interests</b>	
	Mrs Judith Hardisty declared an interest in item <b>AC(23)92</b> , as Chair of the local Regional Partnership Board (RPB).	

<b>AC(23)86</b>	<b>Audit Wales Annual Plan 2023</b>	
	<p><i>Professor Philip Kloer joined the Committee meeting.</i></p> <p>Mr Anthony Veale presented the Audit Wales Annual Plan 2023, reminding Members that an outline plan had been submitted to the previous meeting and advising that this was the detailed audit plan. The Plan is in a slightly different format from previous iterations, which it is hoped is more accessible. Page 7 outlines key risks and key inputs to the audit work programme and details of the materiality, which amounts to £11.638m; the materiality for the remuneration report will be lower. As might be expected, there are significant financial statement risks, including the quinquennial valuation of the Health Board's estate, and management override of the controls in place, the latter being a standard risk. Specific risks include the accuracy of the remuneration report disclosures and the accuracy and completeness of the related party disclosures. Audit Wales will be focusing on the Health Board's financial deficit as part of the year-end process. Mr Veale noted that the presentation included within the Draft Annual Accounts item mentions IFRS 16, the new standard around leases. This brings with it various complexities in terms of compliance. Exhibit 4 on page 13 outlines the planned performance audit work, with the usual Structured Assessment and deep dive into investment in Digital. There will also be a review of Planned Care Service Recovery. Finally, the Audit Plan document includes details of the local audit team and of the audit fee.</p> <p>Mr Winston Weir welcomed the clear report and the proposal that differing levels of materiality be applied to different aspects of the accounts. In light of the issues which have been seen elsewhere within NHS Wales, Mr Weir enquired whether there will be a particular focus on leasing, expenses for directors and consultancy costs. In response, Mr Veale acknowledged that these are potentially 'sensitive' areas which can attract public attention and concern. Audit Wales will, indeed, be mindful of any contentious or novel expenses, as are they always. With regards to leasing, the same materiality level will apply, and more testing will be conducted in this area. Referencing the statement on page 15 that 'I shall make no changes without first discussing them with the Director of Finance and Board Secretary' Cllr. Evans suggested that this should also include the Chair of ARAC. Whilst noting that it was a standard form of words, Mr Veale acknowledged this feedback and agreed this should form part of the process. Audit Wales' first point of contact, should any changes to the fee be required, would be the Director of Finance and Board Secretary; however there would be liaison with the Audit and Risk Assurance Committee Chair and all changes would need to be formally presented to and agreed by the</p>	

	<p>Committee. Building on a comment he had made at the previous meeting, Cllr. Evans noted the proposed 'Local project work' referenced on page 14 and enquired with regard to timelines and type of work, emphasising the need to plan the ARAC Work Programme for the year. Ms Anne Beegan advised that detail was being worked through currently, with a few more meetings scheduled with Executive Directors. Discussions would then take place with Mrs Joanne Wilson, and it is hoped that detail will be available for the next ARAC meeting.</p> <p>The Committee <b>NOTED</b> the Audit Wales Annual Plan 2023.</p>	<b>AB</b>
--	--	-----------

<b>AC(23)87</b>	<p><b>Internal Audit Plan Progress Report</b></p> <p>Mr James Johns introduced the Internal Audit Plan Progress report, noting that this is of the usual format. Members' attention was drawn to Section 2, which outlines the reports finalised since the previous meeting. In terms of progress with the remaining audits in the 2022/23 Plan, there are still a number to finalise which are close to completion. These will be presented to the June 2023 meeting, along with the final Head of Internal Audit Opinion and Annual Report, the draft of which appears later on the agenda.</p> <p>Mrs Wilson observed that reports which have been deferred to June 2023, including Financial Management, state May 2023 in Appendix A. Noting that Agency Nursing &amp; Rostering and Strategic Transformation Programme Governance are both due for presentation in June 2023, despite being marked as 'Work in Progress', Mrs Hardisty requested assurance that they will be finalised. Mr Johns responded that both are at an advanced stage and will be ready. Referencing the draft Head of Internal Audit Opinion, Mr Weir noted that this incorporates a 'forward assessment' of non-finalised audit reports and queried the wisdom of this approach. In response, Mr Johns assured Members that this approach was to provide additional context around the overall audit opinion, and would not have been applied if Internal Audit was not confident in the findings of the non-finalised reports. Mr Weir welcomed this helpful clarification. In view of the forecast year-end financial position and likelihood of a qualified financial audit opinion, Mr Weir suggested that the proposed assurance rating for Financial Management was both reassuring and somewhat contradictory. Mrs Wilson and Mr Johns explained that the assurance rating was based on the scope of the audit, which examined the systems and processes in place to manage the Health Board's finances, rather than the 'outcome'. Whilst accepting this, Mr Weir felt that there should be appreciation of the context within which the organisation is operating, including Targeted Intervention.</p> <p>Mrs Wilson noted that the Director of Finance would have a view in relation to the governance relating to financial management however recognised it would be sensible to be cognisant of the overall context.</p> <p>The Committee <b>TOOK ASSURANCE</b> with regard to the delivery of the Internal Audit Plan Progress Report.</p>	<b>JJ</b>
-----------------	---	-----------

<b>AC(23)88</b>	<p><b>Job Planning (Limited Assurance)</b></p> <p><i>Ms Helen Williams joined the Committee meeting.</i></p>	
-----------------	--	--

Mr Johns introduced the Job Planning report, the purpose of which was to review the systems and controls in place for consultant job planning. Whilst job plans were in place, there had been significant findings resulting in two high priority matters arising being identified, relating to the lack of service outcomes on job plans; and inaccurate reconciliation of session figures between the job plans and Electronic Staff Record (ESR) system. One medium priority matter arising had also been identified, relating to job plan compliance. As a result, an overall rating of Limited Assurance had been awarded.

Professor Philip Kloer thanked the Internal Audit team for their audit and report. Whilst the outcome had been disappointing, it had identified important factors and learning which need to be addressed. Professor Kloer was not sure that the organisation had recovered yet from the COVID-19 Pandemic, which had prevented it from securing the position it would want in regards to Job Planning. In terms of the high priority matters arising, service outcomes is an area which has presented challenges to the Health Board previously, and which appears to be an issue across Wales. The need to address this area is recognised, and a plan is being developed. Progress has been made on personal outcomes. With regard to discrepancies between job plans and sessions/pay, this was an issue of which Professor Kloer had not been aware. Discussions had taken place with Mrs Lisa Gostling and Mr Andrew Carruthers, which had identified that processes were perhaps not as robust as they should be. One issue had been that data entry to ESR is being undertaken by a number of different parties, which leads to the potential for errors/lack of consistency. It is clear that processes need to be strengthened; there will also be a retrospective review.

Mrs Hardisty wished to highlight the efforts made by Professor Kloer, Ms Helen Williams and the team, and the fact that a number of areas (as noted on page 3 of the report) have been rated as Substantial Assurance. Referencing the management response/action plan, Mrs Hardisty expressed concern that those identified as Responsible Officers are not necessarily those who can implement the necessary actions. It is the operational staff who have this ability; however, the Director of Operations is not mentioned. In response, Mrs Wilson suggested that this is a fairly common issue and is based on the Accountable Officer within the Scheme of Delegation, who is – in this instance – Professor Kloer as Medical Director. Mrs Hardisty queried whether the stated timescales are realistic, for example the commitment for a group to undertake a review of the process surrounding job planning by the end of June 2023. Professor Kloer emphasised that the action plan is populated by the respondents rather than Internal Audit, and that there are a number of Internal Audit reports wherein Executive Directors are accountable for actions without having operational responsibility for all aspects. The specific issue highlighted by Mrs Hardisty has been discussed previously; whilst the Director of Operations and his staff may have influence, this also applies to the Director of Workforce & OD. However, the Medical Director has overall responsibility for medical professionals. Professor Kloer recognised the involvement of and reliance upon other staff in achieving timescales which were ambitious, and acknowledged Mrs Hardisty's concerns. Ms

Helen Williams emphasised that all of the teams who will be involved in delivery have had sight of the action plan.

In respect of job plan completeness, Professor Kloer advised that figures relating to this are routinely presented at the Improving Quality Together meetings with Directorates, which is intended to embed them into assessment of performance. Mr Weir was pleased to note this, highlighting its relation to Objective 6 on page 7: The completion rates of job plans are monitored and reported, with action taken for areas failing to complete, to an appropriate group or committee. Whilst recognising the need for strategic oversight, it was felt that a pragmatic approach was required. Referencing the sample size of 40 job plans, Mr Weir queried what percentage of the consultant cohort this represented and whether it had included staff based in the community or acute areas only. In response, Professor Kloer advised that there are not many consultant staff within the community; there are approximately 250 consultant staff across the Health Board. Members were advised that the sample had been representative of a range of sites and specialties, including Mental Health & Learning Disabilities.

Highlighting Objective 2 on pages 5 and 6, Mr Weir noted that the Health Board is some way off from achieving the target of 90% and, therefore, queried the finding of Reasonable Assurance for this objective. Mr Johns explained that this part of the audit had focused on engagement with development of job plans. The team had seen evidence of improved levels of engagement and improved use of the Allocate system. These had contributed to the rating of Reasonable Assurance. Professor Kloer was asked whether he was confident that he had sufficient resources to address the findings of this audit and to take forward the wider information generated by job planning processes which can contribute positively to other areas. In response, Professor Kloer indicated that – whilst not directly managerially/operationally responsible – he had sufficient resource for implementing processes, producing guidance and issuing reminders. Professor Kloer was confident around the action plan develop; the challenge lies around the Operational teams' capacity to undertake job planning. The key personnel involved in delivery – Clinical Leads, Service Delivery Managers and General Managers are subject to a number of demands/pressures. Whilst significant progress had been made prior to COVID-19, a concerted effort will be required to re-establish this position. Within the online Chat, Ms Williams clarified that 56% of all Job Plans were up to date at the time of the audit (rather than 56% of the 40 audited). The current figure is 60%.

The need for a follow-up audit was discussed and Mr Johns confirmed that this was planned, although consideration would need to be given to the timescales in the existing action plan. A follow-up would be included within the 2023/23 Internal Audit Plan.

*Professor Philip Kloer and Ms Helen Williams left the Committee meeting.*

The Committee **NOTED** the Job Planning (Limited Assurance) report and **REQUESTED** that a follow-up audit be conducted during 2023/24.



AC(23)89	<p><b>Service Reset and Recovery (Reasonable Assurance)</b></p> <p><i>Mr Andrew Carruthers and Ms Stephanie Hire joined the Committee meeting.</i></p> <p>Mr Johns introduced the Service Reset and Recovery report, which had been based upon an audit to assess the arrangements for the reset and recovery of Planned Care services within the Health Board in line with the NHS Planning Framework and other statutory requirements. This was recognised as a complex area, and one medium priority matter arising had been identified in relation to the delivery ambitions and targets set out in the Annual Plan that require amending and/or updating to reflect the changes operational activity, and ensuring the Health Board are informed of these changes. The audit had returned an overall rating of Reasonable Assurance.</p> <p>Mr Andrew Carruthers agreed that this represented a complex area of activity, which has been and remains a particular focus for the Health Board. The rating received reflects the significant efforts made by the Planned Care team and the improved performance achieved as a result. The team has already begun to implement responses to the recommendations made, including a Deep Dive report to the most recent Strategic Development &amp; Operational Delivery Committee (SDODC) meeting.</p> <p>Referencing paragraph 2.19 around virtual appointments, Mr Maynard Davies queried whether the target relates to 2022/23 or 2021/22, highlighting the statement regarding achievement, despite the data showing otherwise. Mr Johns confirmed that the relevant date period was 2022/23. Providing additional context, Mr Carruthers explained that during this time, some COVID-19 restrictions had been lifted, which had impacted upon the progress made. Patients had started to return to attending clinics in person rather than via virtual means. Ms Stephanie Hire added that there is a limited 'appetite' for virtual appointments, although they are being used to a greater extent for follow-up appointments and an increase will be seen going forward. Whilst every opportunity is provided to use virtual appointments, both clinicians and patients show a strong desire to return to face-to-face consultations. Health Boards are in discussion with Welsh Government regarding its ambition for virtual appointments, as the associated requirements/ targets are not necessarily helpful. Mrs Hardisty suggested that the presentation of Table C was not particularly clear, with the potential for confusion around the date period covered.</p> <p><i>Ms Stephanie Hire left the Committee meeting.</i></p> <p>The Committee <b>NOTED</b> the Service Reset and Recovery (Reasonable Assurance) report.</p>	
----------	--	--

AC(23)90	<p><b>Withybush General Hospital Fire Precautions Phase 1 (Reasonable Assurance)</b></p> <p><i>Mr Jason Wood joined the Committee meeting.</i></p> <p>Mr Eifion Jones introduced the Withybush General Hospital (WGH) Fire Precautions Phase 1 report, stating that this is the second audit around Fire Precautions work. The WGH Fire Precautions project had been</p>	
----------	--	--

complex and there had been no interest from contractors when it had first been put to market. As a result, an alternative form of contract had been adopted for the project; even so, only one contractor had responded to the tendering process. Key drivers for the audit had been compliance with the fire safety notices issued by the Mid & West Wales Fire Rescue Services (MWWFRS). The project has exceeded the original Business Justification Case (BJC) parameters and budget, partly due to the inability to undertake extensive intrusive surveys pre-approval. Welsh Government has encouraged the Health Board to submit a request for additional funding in this regard. Members were assured that lessons have been learned and are already being applied to other capital projects; however, it has been recommended that a formal Lessons Learned exercise be undertaken. The audit had returned a rating of Reasonable Assurance.

Mr Jason Wood advised that a meeting with Welsh Government regarding the additional funding mentioned above is scheduled for 16 May 2023. In response to a query around whether the outcome is likely to be positive, Mr Wood was hopeful, since the Health Board had been encouraged to apply. Cllr. Evans expressed concern regarding the significant overspend, highlighted in paragraph 2.12, and the statement in the management response around the need to source additional funding, should this not be forthcoming from Welsh Government. It was acknowledged that this would substantially impact on the Health Board's capital funding allocation. Mrs Hardisty advised that a detailed report on all Fire Safety issues is a standing item on the Health & Safety Committee (HSC) agenda and confirmed that a number of the issues identified in this report have progressed. Referencing the management response to Recommendation 1, and 1.1 specifically, Mrs Hardisty suggested that this does not fully address the requirement for an option appraisal. Mr Wood agreed to revisit this response. Mrs Hardisty also queried the allocation of a medium priority to Matter Arising 2. Members were advised that a response had now been received from HMRC, who have agreed to align the VAT reclaim requested. This was at the 'best case' scenario rate of 29.18%. Mrs Hardisty was still not convinced that this matter should have been rated medium priority, although Mr Wood explained that the financial implications were also considered part of Matter Arising 1, which was rated as high priority.

**JWo**

Referencing Matter Arising 4, Mr Davies expressed concern that various different figures were being reported and that this matter was only rated as medium priority. Mr Jones explained that Welsh Government had placed a NWSSP Specialist Estates Services representative on the Project Group. The concern identified during the audit was that the dashboard report did not necessarily reflect the scenarios reported at the Project Group. This resulted in different figures being reported to Welsh Government. There has been ongoing dialogue and Welsh Government is fully informed. The matter has also been discussed at Capital Review Meetings. Mrs Wilson noted the following statement on page 24 and requested further clarification:

From the total sample of changes, the UHB and its advisers had determined that none required UHB formal approval. Generally, this assessment was accepted, except the requirement for a general

	<p>programme update, with an associated cost of £561,410, which noting its value, in our opinion should have been formally approved by the UHB.</p> <p>Mr Jones advised that this issue had also been identified during the Glangwili General Hospital Fire Precautions Phase 1 project audit. Due to the type of contract used (as mentioned earlier) change management processes had been enacted. The Director of Finance had agreed to specific delegated approval limits. None of the changes required formal sign-off, however, should have been formally approved by the Project Group. Ms Rhian Davies clarified that Mr Huw Thomas had approved the delegated limit changes in principle; they were then submitted for formal approval to ARAC in August 2022 and to the Public Board in September 2022.</p> <p>Mrs Hardisty noted that, since commencement of this audit, issues have been identified in relation to Reinforced Autoclaved Aerated Concrete (RAAC) at the WGH site which have been discussed extensively at the HSC. Mrs Hardisty was somewhat surprised that this had not been mentioned, particularly as – if major works are required – there will be a further significant logistical and financial impact. Mr Carruthers acknowledged that there will need to be consideration of this matter and its potential implications, and discussion of such with Welsh Government. If works to address this issue are required, they can be undertaken in conjunction with those relating to fire safety, which would potentially reduce the capital impact. This matter will require monitoring on an ongoing basis. Mr Jones advised that, whilst this specific audit had focused only on Fire Precautions, the RAAC issues have definitely been considered as part of the Phase 2 audit.</p> <p>Cllr. Evans concluded discussions by emphasising that this report includes certain findings of concern and requested an update following the meeting with Welsh Government around funding.</p> <p><i>Mr Jason Wood, Mr Anthony Veale and Mr Eifion Jones left the Committee meeting.</i></p>	<p>JWo</p>
	<p>The Committee <b>NOTED</b> the WGH Fire Precautions Phase 1 (Reasonable Assurance) report.</p>	
<p><b>AC(23)91</b></p>	<p><b>Theatre Loan Trays &amp; High Cost Consumables</b> DEFERRED to 20 June 2023.</p>	
<p><b>AC(23)92</b></p>	<p><b>Regional Integrated Fund (Reasonable Assurance)</b> Mr Johns introduced the Regional Integrated Fund report, stating that the overall objective of this review was to evaluate and determine the adequacy of systems and controls in place for the administration of the Regional Integration Fund (RIF) and the roles therein of the Health Board. An overall audit rating of Reasonable Assurance had been awarded, with two Matters Arising identified. The high priority Matter Arising related to the lack of an agreed Memorandum of Understanding (MOU). The medium priority finding was in relation to the reporting of financial risk to the Health Board.</p>	



	<p>Mr Andrew Spratt thanked the audit team for their comprehensive review and clear recommendations. Actions in relation to both recommendations are being discussed, with a plan developed to take these forward. The MOU is close to being finalised; a joint session with RPB representatives is scheduled and it is anticipated that the MOU will be finalised by the end of June 2023. In terms of financial reporting, it is proposed that information be included within the regular financial report to the Sustainable Resources Committee (SRC). This will comprise information on the partnership funds which are being managed from a Health Board perspective, and the associated potential financial risk. It is also intended that clearer principles be established and stated, with a clear directive to the Integrated Executive Group (IEG) that the Health Board is not able to condone any overspend.</p> <p>Referencing the MOU timescale, Cllr. Evans enquired whether the end of June 2023 was achievable. In response, Mrs Wilson advised that the MOU had been developed and shared with members of the IEG. It will need to be considered by each Local Authority and will then be presented for consideration at the Health Board Public Board meeting in July 2023. The deadline for this action should, therefore, be amended to July 2023. Conscious that there is currently no Independent Member (Legal), Mr Davies enquired whether the MOU requires Board level committee scrutiny. Mrs Wilson responded that, whilst some discussion around roles and responsibilities had been required, MOUs do not tend to undergo committee scrutiny. Members were assured that it had been examined by the Health Board's Legal Services team and that Mr Paul Newman had seen a previous draft during his tenure.</p> <p>The Committee <b>NOTED</b> the Regional Integrated Fund (Reasonable Assurance) report.</p>	HT/JJ
AC(23)93	<p><b>Lessons Learned</b></p> <p>DEFERRED to 20 June 2023.</p>	
AC(23)94	<p><b>Agency Nursing &amp; Rostering</b></p> <p>DEFERRED to 20 June 2023.</p>	
AC(23)95	<p><b>Strategic Transformation Programme Governance</b></p> <p>DEFERRED to 20 June 2023.</p>	
AC(23)96	<p><b>Financial Management</b></p> <p>DEFERRED to 20 June 2023.</p>	
AC(23)97	<p><b>Compliance with Ministerial Directions</b></p> <p>Mrs Wilson introduced the Compliance with Ministerial Directions report, which is intended to provide assurance around the process in place. All had been complied with, with the exception of those outlined in the report.</p> <p>The Committee <b>NOTED</b> the Ministerial Directions which have been issued and <b>ENDORSED</b> the confirmation that the UHB is compliant with these.</p>	

AC(23)98	<p><b>Compliance with Welsh Health Circulars</b></p> <p>Mrs Wilson presented the Compliance with Welsh Health Circulars (WHC) report, advising that each WHC is aligned to a Board level Committee. Whilst assurance can be provided that a process is in place, there are a few areas requiring additional focus. Members were assured that the process will be strengthened.</p> <p>Noting that sanctions can be applied to the Health Board for non-compliance, and that a number of WHCs have an 'external element', Mr Davies enquired regarding any consequence for external bodies upon whom the organisation relies. Mrs Wilson emphasised that it is the Health Board which is responsible for compliance. A number of WHCs where there is non-compliance date back to 2016; it will be necessary for these to be risk-assessed and discussed by the Board. Referencing page 8 in Appendix 1, Mrs Hardisty noted mention of a meeting in March 2023; Mrs Wilson confirmed that this had taken place and would obtain an update. With regard to page 9 and the WHC relating to persistent pain, Mrs Hardisty advised that there are Value Based Health Care projects in this area around use of alternative clinical pathways, which may enable improved compliance. Mrs Wilson committed to follow-up on this matter.</p> <p>The Committee <b>TOOK ASSURANCE</b> that there is a process in place within the University Health Board to monitor the implementation of Welsh Health Circulars</p>	<p>JW</p> <p>JW</p>
AC(23)99	<p><b>Draft Audit and Risk Assurance Committee Annual Report 2022-23</b></p> <p>Mr Evans introduced the ARAC Annual Report 2022-23, with Members requested to feed back comments or concerns. Mr Davies noted that a number of topics discussed at the April 2023 meeting were included and was advised that the report covers the period April to April due to reporting requirements. Any Internal Audit reports which are part of the 2022/23 Plan will be included.</p> <p>The Committee is asked <b>TO COMMENT</b> on the ARAC Annual Report within one week and request Chair's action <b>TO APPROVE</b> the content of the report prior to onward submission to the Board.</p>	
AC(23)100	<p><b>Draft Head of Internal Audit Opinion and Annual Report</b></p> <p>Mr Johns presented the Draft Head of Internal Audit Opinion and Annual Report, which is intended to provide Members with an early sight of this document, while the remaining audit work is finalised. The Opinion, one of Reasonable Assurance, is detailed in Section 1.2, and is subject to completion of the audit programme. Also included is a summary of audit findings, including those currently in draft, which have – as mentioned earlier – been taken into account in establishing the Head of Internal Audit Opinion. Details of the approach to this/how the Opinion is formed are provided. Also contained within the report are outcomes of audit work, information on delivery of the Internal Audit Plan and compliance with Public Sector Audit Standards.</p> <p>Thanking Mr Johns for his report, Cllr. Evans requested assurance that audit findings/recommendations will be incorporated onto the Health Board Audit Tracker. Mrs Wilson confirmed that this would be the case, once the relevant Internal Audit report had been presented to ARAC.</p>	

	Mrs Wilson thanked Mr Johns and his team for their contribution, welcoming the overall Opinion of Reasonable Assurance.	
	The Committee <b>CONSIDERED</b> and <b>TOOK ASSURANCE</b> from the Draft Head of Internal Audit Opinion and Annual Report.	

<b>AC(23)101</b>	<p><b>Records Digitalisation (Limited Assurance)</b></p> <p>Mrs Wilson advised that there was a degree of context that had been omitted from this audit report; this lay with the Health Board’s accountability and not with the Internal Audit team. As a result, the report does not provide a complete ‘picture’ of what is occurring operationally. There are also a number of errors. Neither of these issues had come to light until very recently.</p> <p><i>Mr Martyn Lewis and Mr Anthony Tracey joined the Committee meeting.</i></p> <p>Mr Martyn Lewis introduced the Records Digitalisation report, which was to consider the progress made and governance arrangements in place for the Records Digitisation Project. An assurance rating of Limited Assurance had been issued, with it noted that the Health Board does not currently have in place an overarching programme for records digitalisation. There are two separate projects operating, in relation to scanning and the document management system. Whilst there has been appropriate scrutiny of these projects, there is no overarching programme or plan to consider independencies, for example. Project reports do not include information on costs or delivery schedules; there is no fully-detailed cost benefit analysis and no benefit tracker in place.</p> <p>Mr Anthony Tracey was in agreement with the audit findings. Whilst emphasising that the scanning and document management system projects were two distinct projects with different aims, the need for an overarching programme was recognised. With regard to the finding around there being no project for development of e-forms, this had been considered; however, it had been decided that there should be a focus on development of the Electronic Record Document Management System (ERDMS). A case study on e-forms had been included as part of this work, which was now being piloted in Therapies. Mr Tracey assured Members that work is being taken forward and that a progress report can be provided as required. The Committee was reminded, however, that records digitalisation represents a ‘long journey’, with the Health Board being responsible for approximately 2 million medical records/ files each containing 150-200 sheets. To date, 390,000 pieces of paper have been scanned. Mr Tracey also emphasised the need for a move to a ‘digital culture’.</p> <p>Welcoming the report and additional context, Mr Weir stated that this audit was timely and appropriate. In terms of scrutiny, Members were informed that SRC receives regular update reports from the Information Governance Sub-Committee (IGSC), which include updates from each of the projects in this area. The audit was correct, however, to highlight the need for an overarching strategy and cost benefit analysis. Mr Weir queried the deadline of July 2023 for putting in place governance arrangements, suggesting that these are probably already in place. In</p>	
------------------	--	--

response, Mr Tracy advised that partial governance is in place; whilst IGSC covers the specific projects mentioned, there is still a need for an overarching group to consider 'records' in the more general sense. In addition to health/medical records, there are also corporate records within the Health Board, for example workforce and financial records. Digitalisation of these would lead to a potential cost benefit also. It is likely that SRC will be responsible for overall assurance. In response to a query around whether there were separate business cases for each aspect and what assumptions were made in these, Mr Tracey committed to explore this matter further.

AT

Mrs Hardisty expressed concern regarding the audit findings. For example in paragraphs 2.8 and 2.9, the discrepancies between estimated and actual cost for the ERDMS, and the lack of a project to progress e-forms. Referencing page 11 and the management response to Recommendation 1, Mrs Hardisty was concerned by use of the words 'aim to' and requested clarification and assurance in this regard. With the lack of a cost benefit analysis, the Health Board's ability to judge whether it can afford the project was queried, and Mrs Hardisty enquired whether this will be the remit of the overarching group. In terms of Recommendation 4 and the requirement for wider stakeholder involvement, it was queried whether the timescale indicated was sufficient. In response to the matter of costs, Mr Tracey explained that there had been a communication issue; the estimated cost presented to the Executive Team had been for 1 year, whereas a 3 year plan had been able to be delivered. Further clarification could be provided. It is anticipated that the annual cost to run the system would be in the region of £250k. This was comparable to the cost of physical records storage. Whilst the Health Board is looking to digitalise records going forward, there is a cost involved in scanning 'legacy documents'. The monies being spent on storage currently can be utilised for scanning. With regard to Recommendation 1, Mr Tracey confirmed that a programme would be established. In terms of the query around Recommendation 4, stakeholder engagement is already underway, with clinical/service teams and workforce, etc. There will be an extensive engagement plan around the overarching programme.

AT

Mr Carruthers stated that it was difficult for him to comment on this report, as he did not feel that it adequately reflected why the Health Board was undertaking the records scanning process. The management response had been submitted without reference to the Deputy Director of Operations, who is the SRO for a number of these aspects. Mr Carruthers was concerned that there was not sufficient clarity around whether the focus was digital or operational health records. This, along with concerns around executive sign-off and points of accuracy, all need to be addressed in a final draft of the report. Mr Lewis explained that the audit was to examine the overall digitisation of records. It was acknowledged, however, that the Operational team is undertaking the scanning of records and that more content with regard to this aspect could have been included. Issues around the management response sign-off were probably related to trying to ensure submission of the report to this ARAC meeting. Mr Johns offered to address any omissions or errors. In view of the above, there was some concern that the report could not be viewed as finalised, and

	<p>that its presentation had placed the Committee in a difficult position. It was agreed that a meeting between the relevant parties (Executive Directors, Lead Officers, Internal Audit, with the Director of Corporate Governance) should take place to agree amendments to the report and management response and that a revised version would be presented to the June 2023 meeting.</p> <p><i>Mr Martyn Lewis and Mr Anthony Tracey left the Committee meeting.</i></p>	<b>JJ</b>
	<p>The Committee <b>NOTED</b> the Records Digitalisation (Limited Assurance) report and <b>REQUESTED</b> that a revised version of the report and management response be presented to the next meeting.</p>	

<b>AC(23)102</b>	<p><b>Assurance Report on Board Effectiveness</b></p> <p>Mrs Wilson presented the Assurance Report on Board Effectiveness, which forms one of the mandatory requirements of the Annual Governance Statement. Members heard that the content of this report had been discussed in detail at the Board Seminar on 20 April 2023.</p> <p>Cllr. Evans indicated that the Board Seminar discussions had been extremely beneficial. Members were advised that the Audit Wales report into issues at Betsi Cadwaladr UHB has been examined and that feedback and learning from this is being collated. Health Boards had been encouraged to do so at recent All Wales Audit Chairs' meetings. Ms Beegan reported that a joint session with Health Board Chairs and Board Secretaries is being scheduled, with consideration being given to a similar session for Health Board Vice-Chairs.</p> <p>The Committee <b>TOOK ASSURANCE</b> from the process that has been undertaken this year to review the Board's effectiveness, <b>RECOGNISING</b> that this has been discussed by the Board at the Board Seminar meeting held on 20 April 2023.</p>	
------------------	--	--

<b>AC(23)103</b>	<p><b>Audit Enquiries to those charged with Governance and Management</b></p> <p>Ms Davies introduced the Audit Enquiries to those charged with Governance and Management report. This forms part of the year-end assurance processes, with a letter from the Auditor General requiring a Health Board response. Members will be familiar with the requirement; however this year's document is in a slightly different format. On the first page of the response template, Health Boards are asked to identify any 'significant matters and/or events that have occurred since April 2022'. Hywel Dda UHB's response has highlighted the organisation's deficit, its inability to prepare a three year Integrated Medium Term Plan and the requirements associated with IFRS 16. In response to general enquiries around risk, etc, the Health Board has referenced the draft Head of Internal Audit Opinion. The response also mentions the RAAC issue mentioned earlier, although the financial implications are not yet known. Members were advised that the response requires ratification in order for submission by 31 May 2023.</p> <p>Cllr. Evans welcomed the detailed response. Mrs Hardisty highlighted an error in the text of Question 4, which was noted by Audit Wales representatives.</p> <p>The Committee <b>REVIEWED</b> and <b>RATIFIED</b> the response prepared for onward submission to Audit Wales.</p>	
------------------	--	--



AC(23)104	<b>Draft Performance Overview</b>	
	<p><i>Mrs Tracy Price and Mr James Field joined the meeting.</i></p> <p>Mrs Wilson presented the Draft Performance Overview report, which represents the 'front end' of the Health Board's Annual Report. Members heard that this had been prepared in line with the NHS Wales Manual for Accounts 2022/23 and had been subject to all of the relevant governance processes. Mr James Field advised that this year's Welsh Government guidance regarding the format of Annual Reports is less prescriptive than previous years. As a result, and following on from discussions at the equivalent meeting last year, the format more closely aligns with the Board Assurance Framework (BAF). The Performance Overview was, it was felt, a fair and balanced reflection of the year, outlining progress against Strategic Objectives, Planning Objectives and Welsh Government Ministerial Priorities. Mr Field thanked colleagues in the Communications and Performance teams for their contribution in preparing the report, together with those in the Planning and Operational teams who had provided input. Members' attention was drawn to the comment on page 139 regarding the Health Board's financial deficit, which is subject to audit by Audit Wales.</p> <p>Mr Davies, who had been offered the opportunity to comment on the report as Chair of SDODC, commended the document for its clarity and narrative. Concern was expressed, however, regarding the 'value' to members of the public of the Statistical Process Control (SPC) charts, which could, perhaps, be replaced by simpler graphs with planned trajectories. Mrs Tracy Price explained that the Performance team had been requested by the Board to use SPC charts, whilst acknowledging that these are somewhat complex and could be replaced if it is felt necessary. It was agreed that this could be considered; however, Mrs Wilson highlighted that inclusion of the SPC charts would ensure consistency with Committee and Board reports, and this could be explained within the accompanying SBAR. Mr Davies was content to abide by the majority decision. Members were reminded by Mrs Hardisty that this report is accompanied at the Annual General Meeting by a presentation, which provides more of an 'executive summary'. It was suggested, however, that consideration be given to creating an 'easy read' version. Mrs Wilson confirmed that there will be a video and presentation summarising the key messages. Commenting on the presentation/artwork of the report, Mrs Hardisty was not keen on the blue and gold 'slashes' at the top and bottom of each page. Cllr. Evans stated that he had enjoyed reading the document and did not have a particular issue with inclusion of the SPC charts. He congratulated the teams involved on their work. Mrs Wilson echoed this, thanking the Communications and Performance teams in particular for their efforts.</p> <p><i>Mrs Tracy Price and Mr James Field left the meeting.</i></p>	<p style="text-align: center;">HT</p>
	<p>The Committee <b>APPROVED</b> the Performance Report chapter of the 2022/23 Annual Report for onward ratification by the Board.</p>	
AC(23)105	<b>Draft Accountability Report</b>	
	<p>Mrs Wilson introduced the Draft Accountability Report which also forms part of the Health Board's Annual Report, noting that this has been</p>	

	<p>shared with the Health Board Chair and Chief Executive and has been prepared in accordance with the NHS Wales Manual for Accounts 2022/23. It includes information on arrangements around Targeted Intervention. The final version of the Annual Report and Accounts will be presented at the ARAC meeting on 26 July 2023, followed by the Public Board meeting on 27 July 2023. Mrs Wilson thanked Miss Charlotte Wilmshurst for her significant contribution in preparing the year-end documentation.</p> <p>Mr Davies enquired whether the date on page 11 should be July 2022 rather than July 2023. In response, Mrs Wilson explained that this date referred to the variation order in relation to Annual General Meetings, which it is not possible to hold by the end of July 2023. It was agreed that the tense and date would be considered further. Mr Davies also highlighted statements around pensions arrangements on page 52, noting that due to changes to the rules in relation to pensions, Audit Wales had indicated that they will not qualify accounts on this basis, which was confirmed by Ms Lucy Evans. Other comments were received regarding Mr Weir not being a member of the Quality, Safety &amp; Experience Committee (QSEC) as indicated on page 17 and regarding Mrs Hardisty being the Carers' Champion. These amendments would be made, together with any others notified, and recorded via 'tracked changes' for enacting via Chair's Action.</p>	<p>CW</p> <p>CW</p>
	<p>The Committee <b>DISCUSSED</b> and <b>SUPPORTED</b> the content of the Draft Accountability Report, providing any feedback that is relevant to its objective to the Director of Corporate Governance/Board Secretary by <b>25 May 2023</b>, in order to <b>PROVIDE ASSURANCE</b> to the Board that a robust governance process was enacted during the year.</p>	

<p><b>AC(23)106</b></p>	<p><b>Draft Annual Accounts 2022/23</b></p> <p>Ms Davies introduced the Draft Annual Accounts 2022/23 report, advising that these had been prepared and submitted in accordance with the deadline. Introducing the presentation, Ms Davies highlighted the key areas in terms of content. With regard to Revenue Resource Performance, the Health Board had not achieved the Welsh Government target. Members' attention was drawn to the £52.3m strategic non-repayable cash only support received in 2022/23. The Capital Resource Performance target had been achieved. The Duty to prepare a Three Year Plan had not been achieved; this was cited by Welsh Government as a reason for placing the Health Board into Targeted Intervention for planning and finance. The Health Board had achieved the target for Prompt Payment, and the organisation's performance in this regard during the past two years was detailed. Slide 7 provides information relating to IFRS 16, the new accounting standard effective from 1 April 2022. A great deal of work has been undertaken on this challenging area, in anticipation of potential queries from Audit Wales. IFRS 16 impacts on almost every part of the Health Board's accounts. Mr Timothy John advised that leases are now required to be reflected as assets on the balance sheet. For Hywel Dda UHB, this involves 175 leases, with a value of over £9m. Whilst not material in monetary terms, this is material by nature. Slide 8 details information on balance sheet and statement of comprehensive net expenditure, together with risks and mitigations.</p>	
-------------------------	--	--

Referencing the last of these, Mr Davies noted that the Health Board has a number of managed service contracts within IT for software, and queried whether these might be indicated. Mr John confirmed that this was potentially the case for some IT contracts (software does not fall under IFRS16). In response to a further query around whether this involved systems operated by Digital Health & Care Wales (DHCW), Ms Davies explained that those concerned were generally more local, such as Pathology systems. Mrs Hardisty highlighted that the Health Board has a number of Managed General Practices, some of which involve leases on premises. Referencing the statement on Slide 7 'with exception of leases with length less than a year...', Members were advised that when the Health Board takes on a Managed Practice, the situation is always reviewed annually. Mrs Hardisty was concerned, however, with regard to the implications of potentially excluding Managed Practices leases on the basis of them being less than a year, should the arrangement (and by virtue of this, the lease) then be extended beyond a year. In response, Ms Davies explained that this type of detail would need to be worked through with Audit Wales. The Health Board works on the assumption of an implied lease for Managed Practice premises. Other queries discussed included the issue of depreciation with lease vehicles. Mr John moved on to Slide 10, which details expenditure on healthcare from other providers, with three matters highlighted in particular. With regard to Slide 11, Members were informed that the pay awards noted therein only refers to those currently agreed. The increased gas and electricity costs are as to be expected. Expenditure on depreciation is due to various impacts. Slide 12 includes an entry for Right of Use Assets; this is a new value resulting from IFRS 16. Slide 13 details a significant increase in Clinical Negligence costs in Secondary Care, although there has been a reduction in the number of cases. Next steps include possible adjustments to the accounts relating to pay awards; Audit Wales is currently conducting their audit. The final accounts will be presented to ARAC on 26 July 2023, with the aim of Audit Wales signing these off on 31 July 2023.

Cllr. Evans thanked Ms Davies and Mr John for the report, presentation and additional information. With regard to the pay award, Mrs Hardisty referenced suggestions that this may not be fully funded in England and enquired whether there is any indication of the same in Wales. Mr Spratt advised that there is nothing definitive, as this topic remains very much within the political arena at present. Mr Weir noted that the use of consultancy services appears to have decreased. It was suggested that inclusion of a comparison of COVID-19 expenditure in the presentation would be useful. In respect of the latter, Ms Davies advised that the comparison between 2022/23 and 2021/22 is included under note 34 of the accounts, on page 73. The amounts were £112m last year and £22m this year. Mr Spratt wished to record his thanks to members of the Finance team, who had worked extremely hard to submit the draft accounts to the required deadline. Also, to the Audit Wales team, for their contribution to constructive discussions at a local level.

Referencing issues in relation to financial practices at Betsi Cadwaladr UHB, Cllr. Evans requested assurance that there were no such issues at Hywel Dda UHB, particularly in respect of accruals. Mr Spratt stated

	<p>that he was confident these matters have been examined. Mr Spratt noted that he could provide full assurance in this respect as the Health Board has a new financial management system, Blackline, and has undertaken a great deal of training and focus on professional financial practice during the past 12-18 months. Nothing of concern has been identified to date; however, this will continue to be an area of focus to ensure that good practice is embedded. Cllr. Evans enquired whether Audit Wales is strengthening its approach to financial audit as a result of the issues identified at Betsi Cadwaladr UHB. Ms Evans confirmed that Audit Wales is considering all of the findings, whilst assuring Members that a focus is always placed on this area and the approach employed would identify such issues. The Committee thanked the Finance team for their work.</p>	
	<p>The Committee <b>DISCUSSED</b> the draft annual accounts for 2022/23.</p>	

<b>AC(23)107</b>	<b>Any Other Business</b>	
	There was no other business reported.	

<b>AC(23)108</b>	<b>Date and Times of Next Meetings</b>	
	9.30am, 20 June 2023 (Routine Meeting)	
	9.30am, 26 July 2023 (Final Accounts)	

UNAPPROVED

**COFNODION Y CYFARFOD PWYLLGOR ARCHWILIO A SICRWYDD RISG  
HEB EU CYMERADWYO / UNAPPROVED MINUTES OF THE AUDIT AND RISK  
ASSURANCE COMMITTEE MEETING**

Date and Time of Meeting:	9.30am, Tuesday 18 April 2023
Venue:	Board Room, Ystwyth Building, St David's Park, Carmarthen and via Microsoft Teams

Present:	<p>Cllr. Rhodri Evans, Independent Member (Committee Chair)          Mr Maynard Davies, Independent Member          Mrs Judith Hardisty, Vice-Chair, HDdUHB          Mrs Chantal Patel, Independent Member (VC)</p>
In Attendance:	<p>Ms Anne Beegan, Audit Wales (VC)          Ms Urvisha Perez, Audit Wales (VC)          Mr Anthony Veale, Audit Wales (VC)          Mr James Johns, Head of Internal Audit, NWSSP          Ms Sophie Corbett, Deputy Head of Internal Audit, NWSSP (VC)          Mrs Joanne Wilson, Director of Governance/Board Secretary          Mr Huw Thomas, Director of Finance          Miss Charlotte Wilmshurst, Assistant Director of Assurance &amp; Risk          Mr Ben Rees, Head of Local Counter Fraud Services (VC) (part)          Mr Steve Moore, Chief Executive (VC) (part)          Mrs Lisa Gostling, Director of Workforce &amp; OD (part)          Mr Andrew Carruthers, Director of Operations (VC) (part)          Dr Warren Lloyd, Associate Medical Director (VC) (part)          Ms Liz Carroll, Director of Mental Health &amp; Learning Disabilities (VC) (part)          Ms Rebecca Temple-Purcell, Assistant Director of Nursing, MHLD (VC) (part)          Ms Carly Hill, Ophthalmology Service Delivery Manager (part)          Ms Lisa Davies, Head of Effective Clinical Practice &amp; Quality Improvement (VC) (part)          Mrs Mandy Rayani, Director of Nursing, Quality &amp; Patient Experience (part)          Mr Anthony Tracey, Digital Director (VC) (part)          Ms Rhian Bond, Assistant Director of Primary Care, deputising for Ms Jill Paterson, Director of Primary Care, Community &amp; Long Term Care (VC) (part)          Ms Amanda Legge, Post Payment Verification Manager (VC) (part)          Ms Sue Tillman, Post Payment Verification Location Manager (VC) (part)          Ms Rachel Williams, Head of Assurance &amp; Risk (VC) (observing)          Ms Clare Moorcroft, Committee Services Officer (minutes)</p>

Agenda Item	Item	
AC(23)42	<b>Introductions and Apologies for Absence</b>	
	<p>Cllr. Rhodri Evans, Audit &amp; Risk Assurance Committee (ARAC) Chair, welcomed everyone to the meeting, his first as Chair. Cllr. Evans reiterated the Committee's thanks to Mr Paul Newman, the previous Chair, for his significant contribution. It was agreed that a formal letter of thanks would be issued. Apologies for absence were received from:</p> <ul style="list-style-type: none"> <li>Mr Winston Weir, Independent Member (Committee Vice-Chair)</li> </ul>	<b>JW</b>



	<ul style="list-style-type: none"> <li>Ms Jill Paterson, Director of Primary Care, Community &amp; Long Term Care</li> </ul> <p>On behalf of the Committee, Cllr. Evans expressed deepest sympathies to Mr Winston Weir and his family for their recent loss.</p>	
<b>AC(23)43</b>	<p><b>Declaration of Interests</b></p> <p>Mrs Judith Hardisty declared an interest in item <b>AC(23)60</b>, as Vice-Chair with responsibility for Mental Health &amp; Learning Disabilities and item <b>AC(23)61</b>, as her husband is on the Ophthalmology waiting list. Mr Maynard Davies declared an interest in <b>AC(23)73</b>, as he had been interviewed as part of the Advisory Review process.</p>	
<b>AC(23)44</b>	<p><b>Minutes of the Meeting Held on 21 February 2023</b></p> <p><b>RESOLVED</b> – the Minutes from the meeting held on 21 February 2023 were approved as an accurate record.</p>	
<b>AC(23)45</b>	<p><b>Table of Actions</b></p> <p>An update was provided on the Table of Actions from the meeting held on 21 February 2023 and confirmation received that outstanding actions had been progressed. In terms of matters arising:</p> <p><b>AC(23)07</b> – Cllr. Evans enquired whether the Health Board had received any further clarification around the criteria for de-escalation from Targeted Intervention (TI). Mr Huw Thomas responded in the negative, whilst acknowledging that, in the current financial climate, with all other Health Boards' financial position having deteriorated and Hywel Dda UHB no longer being an outlier in this respect, Welsh Government may be waiting for the situation to become more settled. There had been no specific guidance issued around de-escalation in regards to finance. Noting that the Health Board is soon due to be subject to the regular 'tripartite' discussions between Welsh Government, Audit Wales and Healthcare Inspectorate Wales, Mr Thomas suggested that it would be helpful to receive this guidance. To provide the Committee with assurance around the work being undertaken by the TI Working Group, it was agreed that information regarding the consolidated requirements would be included in the Escalated Status Update report to the 20 June 2023 meeting, in order to provide assurance to the Committee that actions had been appropriately closed and recognising Internal Audit were also undertaking an audit in this area.</p> <p><b>AC(23)23</b> – Cllr. Evans enquired whether there was any update on training for clinicians with regard to Individual Patient Funding Requests. Mrs Judith Hardisty also requested clarification around when the meeting with Mr Simon Mansfield is taking place.</p>	<p>HT</p> <p>LiD/BT</p>
<b>AC(23)46</b>	<p><b>Matters Arising</b></p> <p>There were no matters arising.</p>	
<b>AC(23)47</b>	<p><b>Annual Review of the Committee's Terms of Reference &amp; Membership</b></p> <p>Mrs Joanne Wilson introduced this item, advising that – in light of the recent changes to/reduction in Independent Board Member numbers –</p>	

	<p>all Committee Terms of Reference were being reviewed to ensure quoracy is maintained. The changes being proposed were highlighted in red text for ease of reference.</p> <p>Mr Maynard Davies queried the proposed change to quoracy whereby the requirement for a third of the 'In Attendance' members was removed, as he strongly felt that there should be a requirement for the Director of Finance and Director of Corporate Governance to be in attendance at a minimum. Members heard that this had been a topic of debate; it was emphasised that Executive Directors and other In Attendance members are not required in order for an Audit Committee meeting to take place. Indeed, it is inherent that Members can exclude In Attendance members if discussions so require. It was agreed that a requirement for In Attendance members would be reinstated, though not as a quoracy requirement. With regard to the change to 6.5, and the proposal to circulate the minutes to the Lead Director within seven days, Mr Davies enquired how long they would have to clear the minutes. It was agreed that a period of seven days should be added to the text. Mr Davies also queried that minutes were usually sent to the Chair and Lead Director concurrently. Mrs Wilson explained that there has been some variance in these processes across the Health Board Committee Structure and the changes are an attempt to implement consistency. It is felt preferable for the Lead Director to review minutes for accuracy prior to them being sent to the Chair.</p>	<p>CW</p> <p>CW</p>
	<p>Subject to the above amendments, the Committee <b>APPROVED</b> the Audit and Risk Assurance Committee's Terms of Reference for onward ratification by the Board on 25 May 2023.</p>	

<p><b>AC(23)48</b></p>	<p><b>Escalation Status Update</b></p> <p><i>Mr Steve Moore joined the Committee meeting.</i></p> <p>Mr Steve Moore presented the Escalation Status Update report, which comprises an update from the second quarter Targeted Intervention meeting held with Welsh Government on 17 March 2023. The meeting had reviewed the Health Board's position; in summary, Mr Moore felt that the organisation had been able to demonstrate good progress with its planning work. There were also positives in terms of finances, with a clear and shared understanding regarding the causes of the Health Board's deficit. Welsh Government's main 'message' had been around the need to see progress on the Health Board's stated actions for Quarter 1, and a definitive 'route-map' to financial sustainability. The feedback on areas under Enhanced Monitoring was positive. Mr Moore felt that the organisation was beginning to receive clarification around the criteria for de-escalation, which centres on the need to demonstrate sustained performance. For Urgent &amp; Emergency Care, the nuance was slightly different, with a requirement for evidence of consistent and sustained improvement. In Cancer, Welsh Government is concerned by the Health Board's Single Cancer Pathway performance; although this is being impacted upon by the actions being taken to significantly decrease the Cancer Care backlog. As was suggested by the Director of Operations at the most recent Public Board meeting, performance has improved during March 2023. There had been constructive discussions around the challenges being faced with regard to Neurodevelopmental Assessments, which are shared by many other</p>	
------------------------	---	--

	<p>Health Boards. It has been agreed that external advice will be sought, and Welsh Government were supportive of this approach. Other areas where support could potentially be offered were also discussed, and formal proposals would be considered at the June 2023 TI meeting.</p> <p>Making reference to information around the performance of other Health Boards, Mrs Hardisty expressed uncertainty around how Hywel Dda UHB differs so significantly from these, such to justify its escalation status, except perhaps in Neurodevelopment Assessment performance. Whilst acknowledging the additional support offered by the TI process, Mrs Hardisty enquired whether there is any sense of how 'sustainable' the organisation's continued escalation status is, given the position of other Health Boards, particularly as Hywel Dda UHB may be in an improved position in June 2023. Mr Moore assured Members that this matter is raised on an ongoing basis with Welsh Government. Whilst agreeing in principle, Mr Moore emphasised the need to ensure that the Health Board can demonstrate in June 2023 delivery on its actions, in order to increase Welsh Government confidence. This would be in advance of the next 'tripartite' meeting, and Mr Moore was hopeful that there would be more positive discussions around progress against the Enhanced Monitoring requirements. Requirements around Planning and Finances are probably more nuanced.</p> <p><i>Mr Steve Moore left the Committee meeting.</i></p> <p>The Committee <b>NOTED</b> the update from the TI meeting held on 17 March 2022 and the response from the Chief Executive NHS Wales.</p>	
<b>AC(23)49</b>	<p><b>Scheme of Delegation</b></p> <p>Mrs Wilson introduced the Scheme of Delegation report, which outlines a number of changes for the Committee's consideration, prior to onward submission to the Board for approval on 25 May 2023.</p> <p>Whilst recognising that the changes were detailed within the covering SBAR, Cllr. Evans suggested that it would be beneficial if – in future iterations – changes could be highlighted in a different colour text in the Scheme of Delegation document itself.</p> <p>The Committee <b>APPROVED</b> Hywel Dda University Health Board's (HDdUHB's) Scheme of Delegation for onward submission to the Board for approval on 25 May 2023.</p>	<b>CW</b>
<b>AC(23)50</b>	<p><b>Counter Fraud Annual Report 2022/23</b></p> <p><i>Mr Ben Rees joined the Committee meeting.</i></p> <p>Mr Ben Rees introduced the Counter Fraud Annual Report 2022/23, which is one of several Counter Fraud related items on the agenda. Members' attention was drawn to the table on page 4 of the Annual Report itself, which details the resource position. Whilst there had been an overuse of days versus resource allocated, Members were advised that this had resulted in no cost to the Health Board. The data regarding areas of activity on page 9 would assist in understanding where priorities should lie going forward. The 41% of Local Counter Fraud Specialist (LCFS) activity linked to investigations is a decrease from previous years, which suggests that prevent and deter measures are taking effect. Further resource days will be allocated in the upcoming</p>	

year. In terms of key requirements under Welsh Government (WG) Directions July 2006, as outlined in section 3, all were achieved. Mr Rees reported that these would be coming under review and any changes would be implemented accordingly. Finally, page 16 of the report confirms compliance with the NHS Counter Fraud Authority Quality Assurance Standards.

Mr Davies thanked Mr Rees for the report, which was both clear and comprehensive. Referencing the table on page 19, the relatively poor compliance in mandatory Counter Fraud e-learning among Medical and Dental staff was noted. Mr Davies enquired whether any measures to improve this could be taken. Mr Rees agreed that compliance levels are low in this staff group; whilst they have improved slightly since the report was prepared, the increase is not significant. Members were informed that the Counter Fraud team has provided dedicated training for this staff group and plan to continue this targeted method going forward, in addition to the mandatory training. The need for a partnership approach was recognised. Noting that similar issues are seen in regards to mandatory Health & Safety training, and whilst accepting that an element of this staff group is temporary, Mrs Hardisty queried the fundamental reason for poor compliance. Mr Rees explained that the issue appears to be availability of time to undertake training, noting that the Counter Fraud e-learning package takes approximately 1 hour to complete. There is a need to demonstrate the importance and value of training, to the organisation and to individuals, both of whom it is intended to safeguard. Whilst acknowledging these comments, Mrs Hardisty observed that Medical and Dental is the only Health Board staff group which has time dedicated in their job plans for other activities, including training. In response to a suggestion that this is a matter for consideration at the People, Organisational Development & Culture Committee (PODCC), Mrs Chantal Patel confirmed that this topic had been discussed previously and is included on the PODCC Workplan, adding this would be scheduled for a future meeting. Mr Thomas suggested that this was a cultural issue, which cannot necessarily be resolved by those providing the training, and that it should be raised with the Executive Team.

LG

HT

Mrs Patel enquired whether there has been a downward or upward trend in the number of Counter Fraud cases during the year and, if the latter, what other measures should be taken. In response, Mr Rees advised that there had been two fewer investigations in 2022/23 than the previous year. The amount of referrals to Counter Fraud has, however, increased. This is based on anecdotal evidence as, to date, not all referrals have been formally recorded; however the new Clue3 systems will facilitate improved data collection in this regard. Areas of Counter Fraud activity have also changed, with an increase in preventative work and risk assessments. Bringing discussions to a close, Cllr. Evans thanked the Counter Fraud team for their work during the year, recognising that there were only two members in the team.

The Committee **RECEIVED** for information the Counter Fraud Annual Report 2022/23.

AC(23)51	<p><b>Counter Fraud Work Plan 2023/24</b></p> <p>Presenting the Counter Fraud Work Plan 2023/24, Mr Rees assured Members that, whilst this has been created in line with the necessary requirements and standards, it also provides for the addition of any ‘ad hoc’ work deemed necessary, for example proactive exercises identified on the basis of risk.</p> <p>Building on the earlier comment by Cllr. Evans, Mrs Hardisty noted that there were only two LCFs in the team, and enquired whether they have access to sufficient administrative support, to enable their focus to be on specialist work. Mr Rees responded that there had been a major improvement in this regard, with the team having been co-located with and receiving administrative assistance from the Finance team. Mr Rees would welcome the provision of additional support going forward, however. In response to a query around whether there were any areas that the team felt deserved more of a focus, which they were currently unable to fulfil, Mr Rees did not have any particular concerns in this regard. As mentioned above, the Work Plan is sufficiently flexible to undertake additional work if a need is identified, and the strong working relationships with Internal Audit and other partners also facilitate this. Noting Mrs Wilson’s role as Counter Fraud Champion, Cllr. Evans enquired whether she was content with the Work Plan as proposed, which was confirmed. Members heard that Mrs Wilson had discussed the Work Plan in detail with Mr Rees, who she meets with on a regular basis for progress reports. Mrs Wilson agreed that the scope of work undertaken by the Counter Fraud team, with only two LCFs, should be commended.</p> <p>The Committee <b>APPROVED</b> the Counter Fraud Work Plan 2023/24.</p>	
AC(23)52	<p><b>NHS Counter Fraud Authority Draft SRT Return</b></p> <p>Mr Rees introduced the NHS Counter Fraud Authority Draft SRT Return report, advising that there is only one Amber rated requirement, NHS Requirement 3, detailed on page 6 of the report. During the self-assessment, Mr Rees had felt that this was an area where further work is required. A process has been identified and will be reported to ARAC going forward. Subject to successful implementation of this process, it was likely that the self-assessment against the requirement would be Green in 12 months’ time.</p> <p><i>Mr Ben Rees left the Committee meeting.</i></p> <p>The Committee <b>RECEIVED</b> the report for information.</p>	
AC(23)53	<p><b>Report on the Adequacy of Arrangements for Declaring, Registering and Handing interests, Gifts, Hospitality, Honoraria and Sponsorship</b></p> <p>Mrs Wilson presented the Report on the Adequacy of Arrangements for Declaring, Registering and Handing interests, Gifts, Hospitality, Honoraria and Sponsorship. This has been an area in which a great deal of work has been undertaken, including a full review of related policies, and Mrs Sian-Marie James was thanked for her efforts in this regard. The report details how the Health Board manages declaration of interests, gifts, hospitality, honoraria and sponsorship. The Corporate team has been developing, in conjunction with colleagues in IT, an</p>	



	<p>automated SharePoint system, which will manage the submission, recording and presentation of declaration forms. Whilst this is an ‘in-house’ solution rather than the All Wales system (implementation of which is awaited), the testing conducted thus far appears to suggest it is working well.</p> <p>Welcoming the report and the important information, therein, Cllr. Evans invited questions. In response to a query around when the local system mentioned above will be fully implemented, Mrs Wilson advised that it was in place and in use now, albeit being rolled out slowly to ensure the system works. The system is capturing more declarations than previously, although work to raise the profile of this area further is required. Noting that declaring sponsorship has been an issue among Medical and Dental staff previously, and referencing earlier discussions around low compliance with Counter Fraud mandatory training in this group, Mr Davies suggested that a summary of matters of concern such as these be compiled and communicated. Mrs Wilson agreed to follow this up with Mr Rees.</p>	<b>JW</b>
	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>REVIEWED</b> the adequacy of the arrangements in place for declaring, registering and handling interests, gifts, hospitality, sponsorship and honoraria during 2022/23, and</li> <li>• <b>NOTED</b> the proposed actions for 2023/24 to promote and improve the adequacy of these arrangements, for onward assurance to the Board.</li> </ul>	

<b>AC(23)54</b>	<p><b>Financial Assurance Report</b></p> <p>Mr Thomas introduced the Financial Assurance report, stating that this was of the usual format. Members’ attention was drawn to the No PO, No Pay breaches outlined on page 5 of the report, which was a recurring issue. Five suppliers are causing particular challenges, and the Finance team is attempting to identify the ‘root causes’ and how to address these. Public Sector Payment Policy (PSPP) performance is showing a recovering position, which is welcome and which will feed into this year’s annual accounts. The graph on page 7 evidences a significant increase in Single Tender Actions (STAs). Overpayment of salaries has also increased slightly, suggesting that issues remain, although the repayment period has stabilised. The Health Board awaits confirmation regarding a timescale for digitalisation of Payroll forms from NHS Wales Shared Services Partnership (NWSSP). Mr Thomas noted that there were a number of non-routine appendices and outlined the contents of these. Members heard that Appendix 5 details correspondence between Audit Wales and the Health Board with regard to this year’s financial audit timeline. Accounts work within the Health Board is on track. Appendix 6 relates to pooled funds between the Health Board and Carmarthenshire County Council and Ceredigion County Council and are provided for information. Appendix 7 outlines a qualified audit report due to no signed Memorandum of Agreement being in place; this was disappointing and Mr Thomas would request that the newly appointed accountant with responsibility for Regional Partnership Board (RPB) arrangements takes this up.</p> <p><i>Mrs Lisa Gostling joined the Committee meeting.</i></p>	<b>HT</b>
-----------------	--	-----------

	<p>Returning to the matter of digitisation of Payroll forms, and noting that the Health Board has been pushing for this, Mr Davies enquired regarding the likelihood of a Hywel Dda UHB based trial. Mr Thomas agreed to explore this possibility. In response to a query around the implications of IFRS 17, Mr Thomas did not feel that it would be a significant issue or have a material impact for the organisation. Within the online Chat, Mr Anthony Veale agreed with this summary and stated that Audit Wales would pick this up early in the year, to ensure that all requirements for the Health Board are covered. Referencing Appendix 1 and specifically HDD-STA-628, Mr Davies noted the justification that this was a 'One off Capital Purchase - not available off a framework and no other scanner can be used for these procedures. This is the standard in HDD.' The process by which such arrangements become 'the standard' was queried, along with how the additional cost by making it so can be warranted. Mr Thomas committed to obtain a response from Mr Gareth Rees, who has responsibility for medical devices. In respect of HDD-STA-629, and noting that this had been purchased ahead of an All Wales procurement process, Mr Davies enquired whether the service/software had been obtained at a competitive price. Members heard that there was a commercially sensitive aspect to this; however, Mr Thomas was not aware of a significant difference in price.</p> <p>Referencing Appendix 2, page 19 of the report, it was queried whether the consultancy contract awarded should have been classified as a STA also, or whether it was awarded via framework. Mrs Wilson agreed that this should be clarified, as there were other potential suppliers and the Health Board could be challenged on this. Mr Thomas advised that this contract had been approved by Board; however, would request clarification from the Procurement team. Mrs Hardisty enquired in regards to HDD-STA-607, specifically why this had been awarded retrospectively and particularly as the planned changes to Deprivation of Liberty Safeguards (DoLS) had now been abandoned. Mrs Wilson acknowledged that this was complex and had been considered at the Use of Resources Group (URG). Procurement approval had needed to be retrospective because if this had not been obtained, the Health Board may have been in breach of its statutory duty. Whilst retrospective approval had been agreed in this instance, it had been made clear that this was not an appropriate process and that a report should have been submitted to ARAC, similar to that being considered today for the Carers Services. A full tender process will need to be undertaken in the future. It was agreed that a consistent approach must be applied to any such arrangements and assurance was requested that this situation will not be repeated. Mrs Patel enquired as regards the extent to which Independent Mental Capacity Advocate (IMCA) services were being used; it was agreed that clarification would be sought and that this information would be included in a report to be submitted to the 20 June 2023 ARAC meeting.</p> <p>Cllr. Evans, referencing section 2.2.2 on page 6, and the statement that 'there continues to be a problem with budget managers not approving invoices on a timely basis', enquired with regard to actions being taken to address this. Also, how Hywel Dda UHB compares with other Health Boards in terms of PSPP compliance. Acknowledging that invoice</p>	<p>HT</p> <p>HT</p> <p>HT</p> <p>JP</p>
--	--	---

	<p>approval has been an issue for some time, Mr Thomas explained that a great deal of work has taken place in this area; for example, with the Bank Office which sees a high throughput of invoices. There does, however, need to be an examination of the Scheme of Delegation within the Oracle system, to ensure that invoice approval is at an appropriate level and that senior managers are not being required to approve low value invoices unnecessarily. In response to the second query, Mr Thomas advised that there is a focus on the PSPP standard and Health Boards receive statistics relating to this from NWSSP. All have similar levels of compliance. Returning to Appendix 2 and Contracts Awarded – Consultancy, Cllr. Evans queried why this had not been subject to Board approval, being in excess of £25k. Mr Thomas explained that, in this case, the contract was for ‘professional services/technical work’ rather than consultancy, and there is a formal process by which this is determined which he would share as part of the Table of Actions. Such contracts do not require Board approval. Members were further advised that this contract cost had been funded by Welsh Government. Noting information in Appendix 5 mentioned earlier, Mrs Wilson updated Members regarding the timetable for approval of accounts. It is proposed that the draft accounts are reviewed by ARAC on 11 May 2023, with an extraordinary ARAC meeting to review the final accounts on 26 July 2023, to be followed by their consideration at the Public Board meeting on 27 July 2023. The Health Board plan to hold their Annual General Meeting by the end of September 2023. Members were reminded that, in the absence of a variation order from Welsh Government, this will comprise a breach of Standing Orders. The issue of a variation order was being pursued with Welsh Government.</p> <p>The Committee <b>DISCUSSED</b> and <b>NOTED</b> the Financial Assurance Report.</p>	<p>HT</p>
--	--	-----------

<p>AC(23)55</p>	<p><b>Carers Services Commissioned with Non-recurrent Grant Funding</b></p> <p>Mrs Lisa Gostling introduced the Carers Services Commissioned with Non-recurrent Grant Funding report. Members were advised that three sources of funding for unpaid carers services are received: Core funding, Welsh Government funding and Regional Integrated Fund (RIF) monies. Only the first of these is recurrent; this year’s Welsh Government funding allocation has now been confirmed, however, RIF has not. Due to the delay in confirmation of funding arrangements, the team had continued with the previously agreed programme, utilising a Service Level Agreement approach. This process had already been applied by the time the letter was received which outlined the need for a tender process. The matter had been discussed at URG and it had been agreed that an STA could be utilised on this occasion, with the caveat that a full tender/procurement process will need to be undertaken in the future.</p> <p>Mr Davies enquired whether it was likely that the system would change again, to which Mrs Gostling responded in the negative. Members heard that there had been a late change in the process guidance, and that the Health Board had applied the most pragmatic course of action it could under the circumstances. The recent complexities of the Mental Health &amp; Learning Disabilities (MHLD) tender process had meant that the Procurement team were experienced in such issues. Thanking Mrs Gostling for the helpful report, Mrs Hardisty noted that every Health</p>	
-----------------	--	--

	<p>Board and RPB will be undertaking the same process. Suggesting that this is unnecessary duplication of effort, Mrs Hardisty enquired whether there had been any discussion with Welsh Government regarding streamlining the process, by taking an All Wales approach. Whilst noting that the same could be reasoned regarding a number of procurement areas, and accepting that this does not directly address Mrs Hardisty's concern, Mr Thomas committed to request that learning from this process is adopted elsewhere.</p> <p><i>Mrs Lisa Gostling left the Committee meeting.</i></p>	HT
	<p>The Committee <b>RECEIVED AN ASSURANCE</b> that the Single Tender Action requests relating to non-recurrent funding streams used to commission support for unpaid carers which have been approved for 2023-24 will be tendered via the Procurement Team in time for the April 2024 renewal dates.</p>	

AC(23)56	<p><b>Audit Wales Update Report</b></p> <p>Presenting the Audit Wales Update Report, Ms Anne Beegan highlighted performance audit work, advising that a scoping meeting is scheduled in respect of the Follow-up Review of Primary Care. The fieldwork for the Review of Workforce Planning is nearing completion and final fieldwork is being undertaken in regards to the Review of Unscheduled Care. The report also provides details of national reports which will be of interest to the Health Board and makes reference to the Audit Wales Annual Plan 2023/24.</p> <p>Noting the entry in respect of the Review of Operational Governance Arrangements – MHLD on page 6 of the report, Mrs Hardisty felt that there should have been reference to the fact that this work had been agreed in 2019/20 and was being delivered almost three years late. It was suggested that this principle be applied to future reports. Ms Beegan acknowledged that this review relates to the 2020 Audit Plan, reminding Members that it had been delayed by the COVID-19 pandemic and impacted by delays in the wider Operational Governance review, to which it was linked. Whilst there was also an element of capacity issues involved, this was improving. Ms Urvisha Perez has joined the Audit Wales team as Performance Auditor and would be working with Ms Beegan. Also referencing Exhibit 2, on page 7, Cllr. Evans noted that a number of the reviews do not have defined dates for consideration by ARAC, which makes forward/agenda planning challenging. In response, Ms Beegan advised that the update in respect of performance audit work was being aligned with that provided to other Health Boards. Once reports have reached the draft stage, an Audit Committee date will be added. The Committee noted the need to include expected dates as was the case with Internal Audit, and Ms Beegan would work with Mrs Wilson to provide indicative timings.</p> <p>Drawing Members' attention to Exhibit 1 on page 5, Mr Veale advised that a date has now been determined for submission of the annual accounts: 8 July 2023. The date for submission of the Charitable Funds accounts has been left as 'To be confirmed' due to the current workload backlog, although Mr Veale confirmed that this would be completed by the Charities Commission deadline. The letters appended to the report have already been referenced by Mr Thomas.</p>	AB
----------	--	----



	<p>Having attended a number of Audit Committee Chairs' meetings, Cllr. Evans suggested that the Health Board needs to examine Audit Wales reports, such as the Betsi Cadwaladr University Health Board – Review of Board Effectiveness. There are likely to be lessons which can be learned from these and the organisation must not allow itself to become complacent. Agreeing, Mrs Wilson advised Members that the Board Seminar on 20 April 2023 would consider this report alongside the annual Hywel Dda UHB Board Effectiveness Report. There are lessons to be learned and areas against which the Health Board needs to assess itself. Ms Beegan reminded Members that this is an area which is routinely considered as part of the annual Structured Assessment exercise. Audit Wales will also explore whether there is anything additional emanating from the Betsi Cadwaladr report which needs to be examined in other Health Boards.</p>	
	The Committee <b>NOTED</b> the Audit Wales Update.	

<b>AC(23)57</b>	<b>Audit Wales Annual Plan 2023</b>	
	<p>Mr Veale presented the Audit Wales Annual Plan 2023, emphasising that this was an outline plan, reflecting a change in approach. Audit Wales have previously issued a single Annual Audit Plan, providing details of the organisation/team, planned financial audit work, planned performance audit work and the proposed audit fee. Since introduction of the new audit standard ISA 315, as mentioned at the previous ARAC meeting, a high-level outline plan had been prepared and was presented for consideration today. The outline plan represents the proposed 'direction of travel' and would be followed by a more detailed plan at the June 2023 meeting.</p> <p>Noting the increased focus on risk associated with ISA 315, Mr Thomas suggested that one area worthy of attention was the risk of management override, which can drive behaviour detrimental to the transparency of accounts. Members heard that the Health Board Finance team has undertaken work in this area to introduce mitigations in order to reduce risk. Further detail can be presented to a future meeting. Mr Veale reported on a joint Health Board and Audit Wales workshop held at the end of March 2023 to explore the financial audit timescale risks, which had proved extremely helpful. It had also provided assurance that the annual accounts process was well underway. Whilst the outline plan does not reference this year's audit fee, the letter appended to the Update Report dated 1 March 2023 (Reference: 3415A2023) refers to an estimated increase of 10.2%, in addition to a 4.8% inflationary increase. It was noted that the Committee is also due to meet in May 2023; in response to a query, Mr Veale advised that the detailed plan might be available for this meeting; however June 2023 was more likely.</p>	<b>HT</b>
	The Committee <b>NOTED</b> the Audit Wales Annual Plan.	

<b>AC(23)58</b>	<b>Workforce Planning Review</b>	
	DEFERRED to 20 June 2023.	



AC(23)59	<b>Orthopaedic Services Review (National and Local Reports)</b>	
	DEFERRED to 20 June 2023.	

AC(23)60	<p><b>Review of Operational Governance Arrangements - Mental Health &amp; Learning Disabilities</b></p> <p><i>Mr Andrew Carruthers, Dr Warren Lloyd, Ms Liz Carroll and Ms Rebecca Temple-Purcell joined the Committee meeting.</i></p> <p>Ms Beegan introduced the report, which outlines the findings of a review specifically in relation to operational governance in the Mental Health &amp; Learning Disabilities (MHL) Directorate. Key messages are outlined on page 5 of the report, and include a finding of good governance arrangements at Directorate level. There is scope for improvement around risk escalation and working relationships/culture. The organisational/management response is appended to the report.</p> <p>Mr Andrew Carruthers welcomed the constructive report, whilst observing that it had been requested at a specific point, some time ago. Members were assured that, since the point of request, the Directorate had taken a number of actions which address certain of the report findings. This meant that the position is quite different to the point at which the review was requested/commenced. Ms Liz Carroll advised that the recommendations and management response had been divided into the relevant staff members' portfolios. Echoing Mr Carruthers' view, Ms Carroll was pleased that the work which had already been undertaken in the intervening period had aligned with the findings and recommendations within the report. The Directorate had acknowledged that changes were required prior to the review. The report's recommendations were welcomed as helpful, and Members were assured that progress has already been made. Actions had been taken to improve risk management processes, with a great deal of work undertaken with the Assurance &amp; Risk Team. Further refinement is required, however. The recommendation around Clinical Audit is welcome and provides a good impetus for change. In terms of staff engagement, there have been a number of changes in senior management and it is timely to restart work in this area. Recruitment continues to pose a significant challenge; however a group has been convened to ensure an increased focus on both recruitment and retention. Ms Carroll concluded by thanking Audit Wales for their review. Ms Rebecca Temple-Purcell introduced herself, advising that she was relatively new to the organisation. Endorsing Ms Carroll's comments, Ms Temple-Purcell recognised the value of this review in helping to determine priorities going forward; whilst emphasising that the plan already developed by the MHL Directorate 'mirrors' the Audit Wales findings.</p> <p>Mrs Hardisty thanked everyone involved with the review for their work. The statement at the bottom of page 9 around lack of access to an Independent Member was queried, with Mrs Hardisty highlighting her own responsibility for MHL as Vice-Chair. Also, there were a number of actions/measures within the management response which Mrs Hardisty understood were already in place, but which indicate future implementation dates. Clarification was requested regarding whether</p>	
----------	---	--

	<p>this relates to an intention to review progress on those dates, or whether these measures are not actually considered to be in place. An example was staff engagement, with engagement work already having taken place. Responding to the first query, Ms Carroll agreed that Mrs Hardisty is very much involved in MHL D, meeting members of the Directorate team on a regular basis, and Chairing the Mental Health Legislation Committee. With regard to the second query, Members heard that there are a number of actions in place, for example working groups; however, it is recognised that a certain amount of 'refinement' is required in order to fully meet Audit Wales' recommendations. An extended period of time has been allocated for implementation of actions around workforce, due to the need for appropriate discussions, consultation and engagement with staff. This is a sensitive matter, which requires sufficient time to be acceptable to staff. Offering context to the statement behind Mrs Hardisty's first query, Ms Beegan explained that this related specifically to the changes to the Directorate's Quality, Safety and Experience Group (QSEG), and the fact that this no longer reports directly to the Quality, Safety &amp; Experience Committee (QSEC). Ms Beegan confirmed that Audit Wales was content with the management response to this review, which would be monitored via the Health Board's Audit Tracker.</p> <p>Mrs Patel requested assurance around steps being taken to address the issues identified in relation to staff engagement/culture. In response, Ms Carroll advised that the Directorate has been in a period of engagement with staff, which has involved a great deal of HR input. It will be necessary to undertake an Organisational Change Process, and the Directorate is keen to secure staff-side input to this; the Organisational Development Relationship Manager assigned to MHL D has been involved in this matter. Whilst to date, there is no significant negative feedback, Ms Carroll recognised that any change is difficult. This topic will be covered in detail as part of the Learning Disabilities Engagement report scheduled for the May 2023 Public Board meeting. It was suggested that Recommendation 5 of the report be examined in more detail at PODCC, to which Mrs Patel agreed.</p> <p>Concluding discussions, Cllr. Evans thanked the MHL D Directorate for their positive approach to the review. It was agreed that an update on progress would be scheduled for February 2024.</p> <p><i>Dr Warren Lloyd, Ms Liz Carroll and Ms Rebecca Temple-Purcell left the Committee meeting.</i></p> <p>The Committee <b>NOTED</b> and <b>TOOK ASSURANCE</b> from the Audit Wales Review of Operational Governance Arrangements - Mental Health &amp; Learning Disabilities and associated management response and <b>REQUESTED</b> a further update in February 2024.</p>	<p>LG</p> <p>CM</p>
--	--	---------------------

<p>AC(23)61</p>	<p><b>Deep Dive - Ophthalmology</b></p> <p><i>Ms Carly Hill joined the Committee meeting.</i></p> <p>Presenting the Ophthalmology Deep Dive report, Ms Carly Hill noted that there have been fragilities and challenges impacting this specialty for a number of years and that various recommendations relating to Ophthalmology appear on the Health Board Audit Tracker. Recruitment</p>	
-----------------	---	--

and numbers of patients awaiting treatment present particular challenges. Hywel Dda UHB has been working with Swansea Bay UHB to explore how patient access to treatment can be improved, and Glaucoma service provision has been put in place. A number of transformational pathways have also been implemented, which form part of the recommendations from various reviews/reports. Ophthalmic Treatment and Diagnostic Centres (ODTC) contracts have been awarded to two providers in Carmarthenshire and Pembrokeshire; unfortunately no expressions of interest had been received from providers in Ceredigion, although it is hoped that this may change. The report also provides updates on a number of other activities, including regional working, treatment pathways and transformational work. Treatment is provided elsewhere for patients who do not need to be seen in a hospital setting. Whilst challenges in recruitment remain, a substantive consultant in Ophthalmology recruited last year has commenced employment this week; one of three substantive and three regional posts in the specialty.

Welcoming the report, Mrs Hardisty noted the statement on page 3 around a 'Regional clinical workshop planned for early 2023 to consider opportunities for a long-term regional model' and enquired whether this was viewed to be the way forward for this service. If so, whether it offers a potential 'forerunner' model for other fragile services. In response, Ms Hill stated that it is the view of the service and clinicians that a regional model is the most appropriate. Mr Carruthers felt that a regional model is probably the only option in west Wales, whilst explaining that Ophthalmology presents a particular challenge across Wales. Welsh Government is encouraging regional solutions and a review is being undertaken by the national lead for Ophthalmology. In response to a query around input from mid and north Wales, Mr Carruthers confirmed that Hywel Dda UHB is already exploring collaborative working with Powys THB, as this aligns with the Bronglais Hospital Strategy and eye care for the north of the Health Board region. The organisation could also explore collaboration with Betsi Cadwaladr UHB.

Cllr. Evans noted the actions outlined in the report and asked Members to consider whether they were assured that sufficient progress was being made, and in the correct direction. Also, whether this matter should be considered by another committee, such as QSEC. Mr Davies advised that A Regional Collaboration for Health (ARCH) regularly reports to the Strategic Development & Operational Delivery Committee (SDODC), which he Chairs. Mrs Wilson felt that there were issues of concern, in that the reports involved date from 2019 and beyond and the implementation dates for actions keep moving; also the potential for quality and safety issues. Ms Hill responded that, whilst the original timescales had been viewed as realistic, there had been hurdles to delivery on various actions, such as a failure to appoint to a Clinical Lead for mid Wales, despite several recruitment rounds. Likewise, in regards to the ODTC actions, no expressions of interest had been received from providers in Ceredigion to allow advancement of this work. Mr Carruthers agreed, highlighting that recruitment represents the key variability/unknown in progressing plans and actions, with so many revolving around or relying upon this. The Health Board will be in a better position if it approaches this issue collaboratively, although it

	<p>should be noted that other, less rural areas, are also experiencing difficulties in recruiting staff. As mentioned earlier, this is a growing challenge across Wales. Whilst Hywel Dda UHB has made progress in terms of its Ophthalmology workforce, this has not generally been in respect of its substantive workforce and the service remains fragile. It is difficult, therefore, to fully address the query and/or place definitive timescales on actions.</p> <p>Noting reference to the 'Open Eyes' project on page 5, Mr Davies enquired whether and when this was likely to lead to improvements. In response, Ms Hill explained that the system would assist in terms of strengthening information sharing and with ODTG pathways. There have been delays in implementation at a national level, although progress is now being made. Each Health Board is examining their internal governance systems ahead of implementation, and an update is due this week. Health Education &amp; Improvement Wales (HEIW) is leading on this project. On the topic of recruitment, Mrs Patel enquired whether international recruitment had been explored, or whether this had been restricted to UK only. Ms Hill advised that, whilst all routes have been and are being explored, one of the issues faced is the preference for Specialist Registration in applicants, due to the low numbers of substantive consultant staff.</p> <p>Thanking Mr Carruthers and Ms Hill for their report, Cllr. Evans returned to the issue of assurance. It was agreed that this could not currently be taken and that additional work would be undertaken to assess progress on each individual recommendation. A further update on progress would be scheduled for a future meeting.</p> <p><i>Mr Andrew Carruthers and Ms Carly Hill left the Committee meeting.</i></p>	<p>CH/ RW  CM</p>
	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>NOTED</b> the progress achieved to address the recommendations highlighted by the external reviews referenced in 5/7 249/559 Page 6 of 7 this paper, notwithstanding the continuing workforce development and demand/capacity challenges which remain across community and secondary care pathways.</li> <li>• <b>NOTED</b> the regional and national discussions which continue which are expected to inform longer-term, regionally focussed plans for the delivery of eye care pathways across Wales.</li> <li>• <b>REQUESTED</b> a further update, following the work outlined above recognising that assurance could not be provided to the Committee that the recommendations were still relevant and whether they could be implemented.</li> </ul>	
<p><b>AC(23)62</b></p>	<p><b>Internal Audit Plan Progress Report</b></p> <p>Mr James Johns introduced the Internal Audit Plan Progress Report. Members' attention was drawn to Section 2, which outlines the three reports finalised since the previous meeting. Section 3 outlines progress against the overall Internal Audit Plan, which is broadly on track, with a few exceptions. A number of reports which were scheduled for consideration at this meeting have had to be deferred. Members were assured, however, that all planned Internal Audit work will be completed in time for preparation of the Head of Internal Audit Opinion and Annual Report. Mr Johns advised that, since the report had been produced,</p>	



	<p>the outcome from an external assessment against the Public Sector Internal Audit Standards had been received, which detailed positive findings. This would be shared via the Board Secretaries Network.</p> <p>Mr Davies expressed concern regarding the delayed/deferred reports and the impact this causes on future meetings. Clarification was requested regarding whether any of the delays were caused by the Health Board, and what can be done to address this issue. In response, Mrs Wilson advised that the RIF Internal Audit had been extremely challenging to finalise and assured Members that Internal Audit had been taking all the steps possible to do so. A meeting is scheduled later this week between the Director of Corporate Governance, Director of Finance and Director of Primary Care, Community &amp; Long Term Care. The Service Reset and Recovery Internal Audit has been delayed due to operational pressures. The others were due to delays on the part of the Internal Audit Team. Mrs Wilson advised that she meets with Mr Johns on a weekly basis and that all possible actions are taken to progress audits. Mr Johns reported that fieldwork is advancing well in a number of the audits and it will be possible to finalise these; there are delays in fieldwork for others.</p> <p>The Committee <b>TOOK ASSURANCE</b> with regard to the delivery of the Internal Audit plan for 2022/23 year and assurance from the finalised audit reports.</p>	
--	---	--

<p><b>AC(23)63</b></p>	<p><b>Internal Audit Plan and Charter 2023/24</b></p> <p>Mr James Johns presented the Internal Audit Plan and Charter 2023/24, which provides information regarding the planned audit approach for the upcoming year. The report also details the process by which the Internal Audit Plan has been developed. Section 2 sets out the six key components making up the audit plan and how it links to the Health Board’s own systems of assurance. Planned internal audit coverage is outlined in Section 4, with the Plan itself as Appendix A. Mr Johns suggested that this represents broad and balanced coverage. The report notes that the Plan will be kept under review throughout the year. Section 5, the resource needs assessment, specifies the resources required to deliver the Plan. Key Performance Indicators (KPIs) are provided at Appendix B. Appendix C is the Internal Audit Charter, which is required to be presented to ARAC on an annual basis. This document provides additional detail on the audit approach and reporting, etc.</p> <p>Thanking Mr Johns for his helpful report, Mr Davies noted the planned Records Management audit detailed on page 11 of the report and enquired whether this will include consideration of the digital aspect of medical records, for example the scanning exercise being undertaken and electronic medical records systems. Mr Johns responded that this is a follow-up on an audit undertaken a couple of years ago and would consider digital aspects. The planned audit will link to the risk on the Risk Register around accessibility. However, it should be noted that there is also an audit currently being finalised on Records Digitalisation.</p> <p>Noting also the planned audit on Primary Care – Managed Practices, Mr Davies endorsed the need for an audit in this area; however was surprised that there were no associated risks on the Risk Register.</p>	
------------------------	--	--



	<p>Whilst confirming that this was the case, Miss Charlotte Wilmshurst advised that an Executive Team Risk Workshop is scheduled, which will include a focus on risks in Primary Care and Long Term Care and which will consider this specific issue. Mrs Wilson suggested that the Internal Audit Plan may need to be reviewed to ensure that there is sufficient coverage with regard to Primary Care, as this has not previously been a particular area of focus.</p>	<p>JW/ JJ</p>
	<p>Subject to the potential review mentioned above, the Committee <b>APPROVED</b> the Internal Audit Plan and Charter for 2023/24.</p>	

<p><b>AC(23)64</b></p>	<p><b>RCP Medical Record Keeping Standards Internal Audit Update</b></p> <p><i>Ms Lisa Davies joined the Committee meeting.</i></p> <p>Ms Lisa Davies introduced the Royal College of Physicians (RCP) Medical Record Keeping Standards Internal Audit Update report. This focuses on the development of the new Clinical Record Keeping Policy, appended to the report, which represents a significant piece of work. It had been recognised that the previous policy was outdated; its review/ replacement had offered the opportunity to develop a new multi-disciplinary policy. The RCP Medical Record Keeping Standards apply to only a limited cohort of doctors; the Health Board wished to obtain input from doctors in other specialties, other healthcare professionals and professions. As a result of this, the Health Board has moved away from the RCP Medical Record Keeping Standards as a tool against which to assess/audit compliance, and instead plans to utilise the Audit Management and Tracking (AMaT) tool. Whilst there has been a delay in issuing the policy, a suite of resources has been developed, which are outlined within the report. These include a video and webpages. Ms Davies explained that the latter are hosted on SharePoint which is not accessible to those outside the Health Board, and committed to try to identify a means by which to share these with Members. In terms of the original Internal Audit recommendation that requirements be communicated to all doctors and that they be reminded of their responsibilities, Ms Davies confirmed that this would be addressed with circulation of the new policy. Finally, the report proposes that this matter be monitored through the Effective Clinical Practice Advisory Panel going forward, and that it be de-escalated from ARAC's work programme.</p> <p><i>Mrs Mandy Rayani joined the Committee meeting.</i></p> <p>Cllr. Evans thanked Ms Davies for her report and suggested that links to the resources mentioned are circulated to allow them to be viewed by those with SharePoint access. Welcoming the report and its contents, which represent a step forward in this area, Mrs Hardisty focused on the request to de-escalate this matter. The previous audit findings had identified that medical staff were not complying with the RCP Medical Record Keeping Standards, and Mrs Hardisty was not sure that the report, or the work it had been based on, clearly demonstrated progress on this specifically. Mrs Hardisty also requested assurance that compliance would be raised as part of the annual appraisal process for medical staff. Ms Davies acknowledged that there had not been an audit against the RCP Medical Record Keeping Standards for some time, stating that the future plan was to audit against the eight new</p>	<p>LiD</p>
------------------------	--	------------

	<p>standards set out within the Clinical Record Keeping Policy. Mrs Hardisty's concern was, therefore, recognised as valid.</p> <p>In response to a request for clarification around the final paragraph of the report, Ms Davies reminded Members that the Committee had previously queried whether the self-inking identification stamps should be surrendered when doctors leave the Health Board's employment. This had been discussed with clinical colleagues and it had been felt that – as they could not be used by the Health Board – it would be more sensible (and less wasteful) for them to be retained by the doctor, who could utilise them elsewhere. Ms Patel noted that the RCP Standards related specifically to doctors and queried whether the new policy incorporates other healthcare professions and their standards. Ms Davies confirmed that work had taken place with other professions to ensure a multi-disciplinary approach. Members were advised that midwives also use stamps and that audits are undertaken in nursing.</p> <p>Returning to the issue of whether this matter can be de-escalated, Mrs Hardisty reiterated that the original audit focused solely on compliance with the RCP Medical Record Keeping Standards. Mrs Mandy Rayani suggested that a 'Deep Dive' on this topic could be scheduled for the Operational Quality, Safety &amp; Experience Sub-Committee (OQSESC). Whilst agreeing that this should also be enacted, Mrs Hardisty remained unconvinced that the audit requirements were met and that this matter could, therefore, be closed as requested. It was agreed that the original Internal Audit report requirements/recommendations should be considered in detail and a judgement made, utilising the information provided in the update, around whether these have been met. A decision could be made at the June 2023 meeting around whether this matter could be de-escalated, with the potential to include an audit of the new system within a future audit programme.</p> <p><i>Ms Lisa Davies left the Committee meeting.</i></p>	<p>MR</p> <p>JJ/ LiD</p>
	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>NOTED</b> the report, regarding the progress made in relation to the original Internal Audit report recommendations.</li> <li>• <b>ACCEPTED</b> the proposal that the Health Board's clinical record keeping audit takes place against the new eight Standards set out within the Clinical Record Keeping Policy and is reported and monitored through the Effective Clinical Practice Advisory Panel.</li> <li>• <b>REQUESTED</b> that further work be undertaken to establish whether the original Internal Audit report requirements/recommendations have been met, facilitating de-escalation of this item from the Committee's work programme.</li> </ul>	

AC(23)65	<b>Job Planning</b>	
	DEFERRED to 11 May 2023.	

AC(23)66	<b>Service Reset and Recovery</b>	
	DEFERRED to 11 May 2023.	

AC(23)67	<b>WGH Fire Precautions Phase 1</b>	
	DEFERRED to 11 May 2023.	

AC(23)68	<b>Regional Integrated Fund</b>	
	DEFERRED to 11 May 2023.	
AC(23)69	<b>Lessons Learned</b>	
	DEFERRED to 11 May 2023.	
AC(23)70	<p><b>Safety Indicators – Pressure Damage &amp; Medication Errors (Reasonable Assurance)</b></p> <p>Ms Sophie Corbett introduced the Safety Indicators – Pressure Damage &amp; Medication Errors report, noting that the objective of this audit had been to review the arrangements for the prevention, management and learning from pressure damage and medication error incidents. Audit findings had indicated that current and comprehensive policies and procedures relating to pressure damage and medication errors are in place, together with appropriate governance structures for the monitoring and reporting of related incidents and identified learning. One high priority and two medium priority matters arising had been identified, resulting in an overall rating of Reasonable Assurance.</p> <p>Mrs Rayani welcomed the audit and its findings. Members heard that the Tissue Viability Nursing service has been under particular pressure; however, additional resource has now been allocated. There have been 3 Whole Time Equivalent (WTE) Registered Nurses and a Team Leader covering both acute and community requirements. This has been increased by 1.3 WTE. The resourcing challenges mentioned above have resulted in issues around access to appropriate expert resource. Timeliness of pressure damage scrutiny has also been below the desired performance levels. These concerns have been raised during the recently-introduced ‘Improving Together’ sessions. In regards to paragraph 2.15 and Matter Arising 3, Mrs Rayani was able to confirm that meetings had taken place on 28 February and 22 March 2023 and that a programme of future meetings has been re-established. In conclusion, Mrs Rayani had found the report extremely helpful, confirming as it did her assessment of the position. It would be shared with each of the Heads of Nursing.</p> <p>Referencing the high priority Matter Arising 2, Cllr. Evans enquired regarding confidence in achieving the deadlines stated of 30 April and 30 July 2023 for the agreed actions. Mrs Rayani confirmed that these would be topics for discussion at the Heads of Nursing meetings and that progress will be monitored at that forum. Expressing concern that the issues mentioned above around safety indicators had not been raised at QQSESC, Mrs Hardisty noted that these are rarely a focus of reports to that sub-committee. Mrs Rayani confirmed that this matter is raised at QSEC, whilst committing to review QQSESC report templates to ensure that this is included. In response to a query around when it is anticipated that the high priority issue will be addressed, Mrs Rayani expected that it would be either Amber or Green rated by the end of Quarter 2. The importance of ensuring that actions put in place are embedded into everyday practice was emphasised. Noting reference to templates above, Mr Davies queried that some of these are part of the Welsh Nursing Care Record (WNCR). In response, Mrs Rayani assured</p>	MR

	Members that these would remain; it is the report templates which feed into QQSESC which would be updated.	
	The Committee <b>NOTED</b> the Safety Indicators – Pressure Damage & Medication Errors (Reasonable Assurance) report.	

<b>AC(23)71</b>	<b>Patient Experience (Reasonable Assurance)</b>	
	<p>Ms Corbett introduced the Patient Experience report; Members heard that the purpose of this audit had been to review arrangements improving patient experience and utilising feedback. The audit had found demonstrable evidence of active engagement with patients and carers and that appropriate governance structures are in place for the monitoring and reporting of patient feedback. Two medium priority matters arising had been identified relating to the Charter for Improving Patient Experience launch and implementation of/training for the Civica patient experience system. A rating of Reasonable Assurance had been concluded overall.</p> <p>With regard to Matter Arising 1, Mrs Rayani explained that the original launch of the Charter had been delayed due to the COVID-19 pandemic. Since that point, the Quality and Engagement (Wales) Act had been introduced, and the Health Board is taking steps to consider whether the Charter is fully aligned with this. The findings of this work will be considered at the Listening &amp; Learning Sub-Committee and it is intended that the refreshed Charter will then be launched, with reporting aligned to the Quality and Engagement Act. In terms of Matter Arising 2, Mrs Rayani noted that there had been national issues with the Civica system; however Health Board staff are beginning to use this more effectively. Consideration is being given to how data can feed into service dashboards, which will assist in improving uptake of the system. Updates on progress with implementation will be presented to QSEC. In terms of training, the system needs to be in place within services before full training can be offered.</p> <p>Noting that there had been a conscious decision to delay the launch of the Charter due to the impact of the pandemic, Mrs Hardisty queried whether this should be viewed as an outstanding action. Ms Corbett explained that there were no plans in place for a revised launch date and Members were reminded that launch of the Charter had been a Board-approved action. Mrs Rayani did not have an issue with this recommendation, as it provided a useful impetus to refresh and launch the Charter. As with all Internal Audit recommendations, progress would be monitored via the Health Board Audit Tracker.</p> <p><i>Mrs Mandy Rayani left the Committee meeting.</i></p>	
	The Committee <b>NOTED</b> the Patient Experience (Reasonable Assurance) report.	

<b>AC(23)72</b>	<b>Agency Nursing &amp; Rostering</b>	
	DEFERRED to 11 May 2023.	

<b>AC(23)73</b>	<b>Fitness for Digital (Advisory Review)</b>	
	<i>Mr Anthony Tracey joined the meeting.</i>	

Mr Johns introduced the Fitness for Digital report, stating that this outlined the findings of an advisory review of the Health Board's position and preparedness for the current and future provision of services using digital technology. The approach was based on identification of the signifiers of successful digital organisations and of barriers to digital implementation. Section 2, on page 3, outlines the six key questions considered. Whilst the report is based on an advisory review, some recommendations have been made. The overall conclusion suggests that the Health Board is well placed.

Welcoming the report, Mr Anthony Tracey thanked the Internal Audit team for their review and the context provided. In terms of the report's recommendations, Mr Tracey acknowledged that there was always scope to improve engagement, particularly from a clinical perspective, and for cultural change. The Health Board is undertaking significant work with CGI around the organisation's Digital Enabling Plan; this is ambitious, and demonstrates the scope and value which digitalisation can offer/add. Mr Tracey felt that it would be helpful to obtain a sense of how Hywel Dda UHB compares with other Health Boards/organisations in Wales. In response, Mr Johns advised that this review is being replicated in other Health Boards and that NWSSP would anticipate providing an All Wales comparison when completed. Members heard that Audit Wales is also planning a review on this topic.

Noting the 573 responses received as detailed in Appendix B, Cllr. Evans enquired whether a higher response rate might have been expected. Mr Tracey recognised that it would always be preferable to receive more responses, whilst advising that the work the Digital team is undertaking internally has seen higher levels of engagement. Referencing the bar chart relating to work settings in Appendix B, Mrs Hardisty noted that the majority of respondents are not clinically based; therefore, this does not provide a sense of how well clinicians are prepared for digitalisation. It was suggested that frontline staff probably have the least access to digital systems. Mr Tracey advised that a Digital Systems Usability Survey has recently been issued to all clinicians in Wales, conducted by KLAS Research. Health Boards have received a brief summary from Betsi Cadwaladr, which is leading on this project. 192 Hywel Dda UHB clinical staff have responded so far, which is a good response rate. Mr Tracey offered to provide further information. Noting that nurses form the largest staff group, Mr Davies reminded Members that there is a Chief Nursing Information Officer within the Health Board.

AT

With a number of the Health Board's systems being obtained and/or managed through DHCW, Mr Davies enquired with regard to the current relationship and engagement with this organisation. In response, Mr Thomas indicated that DHCW have been engaged and involved with Hywel Dda UHB's Digital Enabling Plan, along with Welsh Government. Whilst this involvement during development was likely to be of benefit in terms of avoiding any potential blocks to progress, it may not necessarily assist in accelerating progress. Further assurance may need to be sought in this regard. Mr Tracey advised that the Health Board has an Engagement Relationship Manager at DHCW, which is a



	<p>new post. Various meetings and workshops with DHCW are planned and Mr Tracey felt that progress was being made.</p> <p><i>Mr Anthony Tracey left the meeting.</i></p> <p>The Committee <b>NOTED</b> the Fitness for Digital (Advisory Review) report.</p>	
<b>AC(23)74</b>	<b>Records Digitalisation</b>	
	DEFERRED to 11 May 2023.	
<b>AC(23)75</b>	<b>Strategic Transformation Programme Governance</b>	
	DEFERRED to 11 May 2023.	
<b>AC(23)76</b>	<b>Financial Management</b>	
	DEFERRED to 11 May 2023.	
<b>AC(23)77</b>	<b>Post Payment Verification (PPV) Report</b>	
	<p><i>Ms Amanda Legge, Ms Sue Tillman and Ms Rhian Bond joined the Committee meeting.</i></p> <p>Mr Thomas introduced the Post Payment Verification (PPV) Report, stating that this contains a great deal of detail. It is probably not necessary for the Committee to focus overly on this, as the individual values involved are not significant. Members can take assurance from the fact that processes are in place and that these are well established.</p> <p>Mr Davies enquired why only 7 General Medical Services (GMS) practices had been visited. In response, Ms Amanda Legge noted that the PPV team has been and is facing a number of challenges. A new payment system has been introduced for Primary Care services, which does not provide all the data the previous system had. Practices, therefore, had to submit this information manually/separately. As a result, a decision had been made to pause PPV in December 2022 until April 2023; this was the reason that only 7 visits had been undertaken. Members were assured that a separate data exercise was planned to cover the period January to March 2023.</p> <p>Whilst welcoming the report, Mrs Hardisty was not necessarily clear on the information/assurance it provided. In terms of the financial aspect, the Health Board has recently taken on two new Managed Practices. As part of the discussions involved with this, it had become clear that the prescribing behaviour of doctors influenced a number of issues. If a Practice is identified to have exhibited 'discrepancies' in terms of PPV, Mrs Hardisty queried whether there is any cross-reference to clinical practices, such as prescribing. Ms Rhian Bond reminded Members that a report had been presented previously which outlined the steps taken from a clinical perspective. When PPV and/or financial issues are identified in a Practice, the Primary Care team does take an overview which also takes into account clinical and service aspects. Mrs Hardisty suggested that it would, perhaps, be of more value for the Committee to receive this information. It was also felt that the Practices should be identified, whilst recognising that this would necessitate consideration of the report during the In-Committee session. Mr Thomas agreed to discuss this further with Ms Legge. Members were assured by Ms Bond</p>	
		<b>HT</b>

	<p>that the Primary Care team is aware of the Practices in question and that this information would be discussed both through the Quality &amp; Safety Committees and in Primary Care Contract Review Groups. The Primary Care team works closely with both the PPV team and the Counter Fraud team.</p> <p>With reference to the RAG rating system, Cllr. Evans enquired at what point Counter Fraud is made aware of a discrepancy. Ms Legge advised that the team is in the process of adapting its reports. It should be emphasised that routine and revisits are very different, with different tolerance levels for revisits, which will always be high. Revisits are based on services already having triggered issues. The tolerance levels for revisits are under review and meetings will be held with Health Boards around this topic. In terms of Cllr. Evans' query, Ms Legge explained that a Practice may be RAG rated Red, with no Counter Fraud issues involved. Conversely, those rated Green or Amber may flag potential Counter Fraud issues, and any such concerns would be referred to the Counter Fraud team. Cllr. Evans welcomed assurance regarding this dialogue between the various teams, which was crucial.</p> <p>Within the online Chat, Ms Legge advised that for 2023/24 the PPV team has the following visits scheduled:</p> <p>General Medical Services (GMS) – 38  General Ophthalmic Services (GOS) – 38  General Pharmaceutical Services (GPS) – 33</p> <p><i>Ms Amanda Legge and Ms Sue Tillman left the Committee meeting.</i></p>	
	<p>The Committee <b>NOTED</b> and <b>TOOK ASSURANCE</b> from the contents of this report, which details specific risks as outliers by means of a RAG rating system, and provides the narrative for what the PPV, Primary Care, Finance and Counter Fraud teams consider to be the best approach to support practices in improving.</p>	
<p><b>AC(23)78</b></p>	<p><b>Primary Care (PPV) Report</b></p> <p>Ms Bond introduced the Primary Care (PPV) report, which provides a summary of foregoing discussions. As mentioned, a system error had resulted in the pausing of PPV activities. Two associated risks had been identified, and NWSSP had put in place mitigations to address these. It was not anticipated that there would be ongoing issues.</p> <p>Ms Bond was thanked for her report and contribution to the previous agenda item.</p> <p><i>Ms Rhian Bond left the Committee meeting.</i></p> <p>The Committee <b>NOTED</b> the information contained within this report, including the risks in relation to Post Payment Verification, and the plan in mitigation that NWSSP has committed to implement.</p>	
<p><b>AC(23)79</b></p>	<p><b>Audit Tracker</b></p> <p>Miss Charlotte Wilmshurst presented the Audit Tracker report. Members heard that since the previous report, 14 reports have been closed or superseded, with 16 new reports received by the Health Board. As at 20 March 2023, the number of open reports has increased slightly from 88</p>	

	<p>to 89. 33 of these reports have recommendations that have exceeded their original completion date, which has decreased from the 39 reports previously reported in February 2023. There is a slight decrease in the number of recommendations where the original implementation date has passed, from 128 to 115. The number of recommendations that have gone beyond six months of their original completion date has decreased slightly from 58 to 56, as reported in February 2023. There are currently 327 open recommendations on the Audit Tracker, which represents a significant increase from the 262 reported in February 2023. Services of particular concern include MHLD and Women &amp; Children, although meetings with these Directorates are scheduled.</p> <p>Mrs Wilson was concerned that certain of the reports in Appendix 3 date back to 2016. Members were assured that the Assurance &amp; Risk team is working with the services involved; however, as in the case of Ophthalmology, there are often constraints such as workforce issues which preclude the provision of definitive completion dates for actions. All had been reviewed at the beginning of the year. It was agreed the reports detailed in Appendix 3 would be reviewed, with a similar exercise to the Ophthalmology review process mentioned above being undertaken.</p> <p>Cllr. Evans thanked the team for their report, emphasising the need to ensure that the organisation maintains standards and does not become complacent.</p> <p>The Committee <b>TOOK ASSURANCE</b> on the rolling programme to collate updates from services on a bi-monthly basis in order to report progress to the Committee.</p>	<p>CW</p>
<p>AC(23)80</p>	<p><b>Audit &amp; Risk Assurance Committee Work Programme 2023/24</b></p> <p>The Committee received and noted the Audit Work Programme, which would be updated in line with discussions and to align with Audit Wales and Internal Audit Plans.</p>	
<p>AC(23)81</p>	<p><b>Any Other Business</b></p> <p>Mrs Wilson advised Members that, during the meeting, an email had been received from Welsh Government, confirming the granting of a variation order in respect of Health Board Annual General Meetings. These would need to take place no later than 28 September 2023. Members noted that Board approval for the change would be required and that it was agreed that this would be included in the ARAC Update Report to Board.</p>	<p>RE/JW</p>
<p>AC(23)82</p>	<p><b>Reflective Summary of Meeting</b></p> <p>A reflective summary of the meeting was captured which will form the basis of the ARAC Update Report, and highlight and escalate any areas of concern to the Board. This would include a summary of discussions, together with the following specifically:</p> <ul style="list-style-type: none"> <li>• Update on Escalation Status</li> <li>• Terms of Reference</li> <li>• Scheme of Delegation</li> </ul>	

	<ul style="list-style-type: none"> <li>• Adequacy of Arrangements for Declaring, Registering and Handing interests, Gifts, Hospitality, Honoraria and Sponsorship</li> <li>• Variation Order for Annual General Meetings</li> <li>• Internal Audit Plan</li> <li>• RCP Medical Records Keeping Standards update</li> <li>• Ophthalmology Deep Dive</li> <li>• Audit Tracker Appendix 3 (recommendations that do not have revised timescales)</li> </ul>	
--	---	--

<b>AC(23)83</b>	<b>Date and Times of Next Meetings</b>	
	9.30am, 11 May 2023 (Review of Draft Annual Accounts and Draft Accountability Report)	
	9.30am, 20 June 2023 (Routine Meeting)	
	9.30am, 26 July 2023 (Final Accounts)	

UNAPPROVED