

**Audit & Risk Assurance Committee
TABLE OF ACTIONS
Arising from Meeting held on 26 July 2023**

Minute No.	Meeting Date	Subject	Action	Lead	Timescale	Progress/Date Achieved
AC(23)146	26/07/2023	HDdUHB Annual Report 2022/23	To explore further with the Data Science team quantifying statements such as the one around additional care being provided to tourists and students, by including estimated numbers	HT	October 2023	Completed Noted and will be taken forward in advance of next year's iteration of the Annual Report.
			To query with Audit Wales, following conclusion of the accounting process, why Managed Practice staff costs were requested to be separately detailed	HT	October 2023	Completed The manual for accounts specifies in Note 3.1 Expenditure on Primary Healthcare Services General Medical Services: This entry records total expenditure incurred by the LHB for the provision of General Medical Services.... ... Any salary costs paid out for example to centrally managed GP practices should be disclosed as a footnote.
AC(23)147	26/07/2023	Audit Wales ISA 260 and Letter of Representation	To add the recommendation around Annual Leave Accrual to the Health Board's Audit Tracker and agree a course of action with Mr	JW	October 2023	Completed Recommendation has been added to the Audit Tracker.

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			Thomas and Mrs Lisa Gostling			
			To add the recommendation around CHC to the Health Board's Audit Tracker	JW	October 2023	Completed Recommendation has been added to the Audit Tracker.

Audit & Risk Assurance Committee
TABLE OF ACTIONS
Arising from Meeting held on 15 August 2023

Minute No.	Meeting Date	Subject	Action	Lead	Timescale	Progress/Date Achieved
AC(23)10	21/02/2023	Financial Assurance Report	To enquire regarding the planned timescale for NWSSP to digitalise and improve current processes associated with new starters, staff changes and leavers	HT	April June August October 2023	<p><u>18 April 2023</u> In Progress NWSSP has advised that the supplier who initially tendered to undertake the digitalisation work has withdrawn. A new plan has been agreed, with a trial phase due to commence in the next 6 months.</p> <p><u>20 June 2023</u> In Progress The Director of Finance has sought an update from NWSSP and will raise this at the next partnership committee meeting.</p> <p><u>15 August 2023</u> In Progress The digitalisation of forms for starters, leavers and changes to be referred to as Staff Movement Advice (SMA) will have its first live deployment with Cardiff & Vale UHB in November 2023. C&VUHB has been chosen as the pilot due to its size and complexity. Following evaluation in December 2023, rollout to other Health Boards is</p>

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						<p>expected to commence from January 2024.</p> <p><u>17 October 2023</u></p> <p>Completed</p> <p>NWSSP are still planning to test in November 2023 live, and once they have the feedback from the initial testing, they will devise the roll-out plan, which remains as early next year. Assurances have been received that HDdUHB is first on the list.</p>
AC(23)77	18/04/2023	Post Payment Verification (PPV) Report	To discuss with Ms Amanda Legge the format of future reports	HT	June August October 2023	<p><u>20 June 2023</u></p> <p>In Progress</p> <p>This has been raised with NWSSP.</p> <p><u>15 August 2023</u></p> <p>In Progress</p> <p>Amanda Legge is currently reviewing a different approach to the PPV reports so that ARAC receive the correct information required to provide assurance with respect to the RAG ratings, etc.</p> <p><u>17 October 2023</u></p> <p>Completed</p> <p>A revised format has been provided and this will be used in future reporting.</p>
AC(23)90	11/05/2023	Withybush General Hospital Fire Precautions Phase 1 (Reasonable Assurance)	To provide an update following the meeting with Welsh Government around funding	JWo	June August October 2023	<p><u>20 June 2023</u></p> <p>In Progress</p> <p>Meeting took place with WG on 15 May 2023 to update on scheme challenges and potential funding shortfall. Formal request for additional funding requested by WG. Request submitted</p>

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						<p>to WG on 25 May 2023; receipt acknowledged by WG, outcome awaited. <u>15 August 2023</u> In Progress Further meeting took place between WG and HB on 21 July 2023. HB requested to re-confirm figure prior to submission for approval of additional funding to Health Minister. Confirmation will be submitted in August 2023. <u>17 October 2023</u> Completed Verbal update provided at August 2023 meeting to advise that no additional WG funding will be sought.</p>
AC(23)118	20/06/2023	Execution of the Contract for the Construction of the Day Surgery Unit, PPH	To discuss and review the current process in place for the signing of contracts, to ensure that it is as robust as possible	JW/JJ	August October 2023	<p><u>15 August 2023</u> In Progress Internal Audit will undertake a walkthrough of the system to review the current process for the signing of contracts. <u>17 October 2023</u> In Progress The review of sealing and signing contracts has commenced and it is anticipated that this will be ready to be reported to ARAC in October 2023.</p>
AC(23)124	20/06/2023	Structured Assessment 2022 - Management	To provide an update regarding progress with Recommendation 2 from	AC	August October 2023	<p><u>15 August 2023</u> In Progress</p>

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		Response Update	SA2022 (operational structure)			<p>Due for discussion at August 2023 QSEC meeting. Update to be provided following the meeting. <u>17 October 2023</u></p> <p>Completed Update presented at QSEC in August 2023. Planning to revise arrangements initially in the Autumn, and then review in line with discussions around operational structure in Q3. Proposed structure to be shared in September 2023. Intention would be to complete implementation of first phase by end of December 2023.</p>
AC(23)127	20/06/2023	Orthopaedic Services Review	To clarify the position/ requirements with regard to the MOU mentioned in the GIRFT summary response	KJ	August October 2023	<p><u>15 August 2023</u></p> <p>In Progress The ARCH Regional Recovery Group meeting for July 2023 was cancelled and the Group is not due to meet again until September 2023, at which time the MOU will be discussed further. <u>17 October 2023</u></p> <p>In Progress Discussions ongoing around scope and detail of a wider MOU with Swansea Bay UHB in relation to ARCH projects.</p>
AC(23)146	15/08/2023	Table of Actions - AC(23)10 (Financial Assurance Report)	To provide an update regarding progress with digitalisation of processes associated with new starters, staff changes and leavers	HT	October 2023	See AC(23)10 , above

Minute No.	Meeting Date	Subject	Action	Lead	Timescale	Progress/Date Achieved
		Table of Actions - AC(23)77 (PPV Report)	To provide an update regarding the timescale for introducing the new reporting format	HT	October 2023	See AC(23)77 , above
		Table of Actions - AC(23)90 (WGH Fire Precautions Phase 1)	To share with Members the letter to Welsh Government	SM	October 2023	In Progress Letter to be circulated.
		Table of Actions - AC(23)118 (Execution of the Contract for the Construction of the Day Surgery Unit, PPH)	To change the status of this action to In Progress (Amber) and provide an update to the next meeting	JW/JJ	October 2023	See AC(23)118 , above
		Table of Actions - AC(23)123 (Audit Wales Update Report)	To take forward the issue of timetabling of Audit Wales reports	JW/AB/UP	October 2023	In Progress Will be raised at the next Audit Wales meeting.
		Table of Actions - AC(23)124 (SA2022 - Management Response Update)	To provide an update on the operational structure	AC	October 2023	See AC(23)124 , above

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		Table of Actions - AC(23)127 (Orthopaedic Services Review)	To ensure that QSEC monitors the issues identified around Physiotherapy services	MR	October 2023	Completed Forward planned for December 2023 QSEC meeting, to enable a further discussion around patient impact and mitigations.
AC(23)150	15/08/2023	Strategic Governance Update & Savings Governance Review	To update the management response in accordance with discussions	LD	October 2023	Completed Attached as Appendix 1.
AC(23)151	15/08/2023	Financial Assurance Report	To clarify information regarding KPMG, Lightfoot and CGI	HT	October 2023	Completed Until recently, KPMG were our contracted VAT advisers as a Health Board. Due to the existing relationship, they were used as part of the review of contracting arrangements in digital to provide professional advice on contracting arrangements to ensure that future contracts are in line with strategic intent, are commercially advantageous and are VAT efficient. There is no ongoing contractual commitment. The contract with Lightfoot was for the provision of business intelligence for the Health Board, and has been terminated as at 30 September 2023. The Digital Director is developing an exit strategy so that internal staff support continuation of the service.

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						There is no ongoing contractual commitment. The contract with CGI was for technical mapping of systems across the Health Board to ensure readiness with any regional digital change and to provide an assessment over the potential for future consolidation of digital systems. There is no ongoing contractual commitment.
			To request that the MHLD Directorate provide a report outlining the benefits claim process going forward. Report to include details of what the money has been spent on previously	AC	October 2023	In Progress An Internal Audit will be undertaken which will encapsulate these matters.
			To take forward with Mr Johns and Mrs Wilson the suggestion that an Internal Audit of the benefits claim process be conducted	HT	October 2023	Completed Internal Audit have been asked to timetable an audit of the arrangements in place to provide assurance over the legality of arrangements and appropriateness of the controls.
			To check whether the all Wales IMCA contract tendering process had taken place	HT	October 2023	Completed The tender is live and the Directorate is on track to award the contract by 31 March 2024.
			To clarify the 'Unknown' end date for the ORS contract	HT	October 2023	Completed The ORS contract will end at the conclusion of the Paediatrics review. Any further contracting arrangements

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						with ORS will need to be procured separately.
			To query why Consultancy had been indicated for the KPMG contract, rather than Professional Services	HT	October 2023	Completed There has been a difference in understanding between procurement and the digital team on the nature of the contract with KPMG. Procurement and digital have now met and have agreed that the contract is professional services in nature.
			To develop a clear framework outlining processes, for consideration at the next ARAC meeting	HT	October 2023	In Progress The new Health Board Financial Control Group (FCG) that meets weekly has a Procurement Summary Report submitted which includes all Contracts for Award, Single Tender Actions, Extensions to Contracts and permission to start large value contracts sent through for approval. All of these contract types must have FCG approval before award/commencement can progress. Any G Cloud contracts would be included within the contracts for award tab once all due diligence had been undertaken, however G Cloud will be the last resort when all other compliant tendering/framework avenues have been exhausted. In addition, a Financial Compliance Framework is being devised by the Finance Team in conjunction with the support of other teams. A workplan will

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						be developed, with the initial phases being to map out underlying sources of data and develop an understanding of key systems linking to the accounts.
			To consider (as part of the further review and governance work that needs to be undertaken) any contracts that should have been subject to Board approval, which may require retrospective approval	HT	October 2023	Completed As contracts were deemed to be professional services in nature, rather than consultancy, no further action is required in terms of retrospective approval.
AC(23)152	15/08/2023	Counter Fraud Update	To include Fraud Awareness in deliberations around the training requirements for Independent Board Members	JW	October 2023	Completed Fraud Awareness sessions for Independent Board Members scheduled for 17 October and 12 December 2023.
AC(23)155	15/08/2023	Risk Assurance Report	To consider whether the issue of Capital expenditure risks should be revisited, given the diversion of DCP funds for remedial work associated with RAAC	LD	October 2023	Completed Risk 1707 has been added to the Corporate Risk Register. WG funding has been received for the RAAC remedial works and WGH Fire Schemes. The risk associated with the diversion of DCP is significantly reduced and the risk score associated with risk 1707 has been reduced to reflect this.
			To take forward the suggestion that IGSC is a more appropriate forum than SRC for detailed	CW	October 2023	Completed

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			discussion of Cyber Security and that Fraud would be more appropriately placed with ARAC than SRC			
			To request that the Director of Operations defines timescales for completion of the operational structure work	AC	October 2023	See AC(23)124, above
AC(23)157	15/08/2023	Audit Wales Update Report	To provide indicative timings for AW reports to the next meeting	AB/UP	October 2023	In Progress Will be raised at the next Audit Wales meeting.
AC(23)160	15/08/2023	Internal Audit Plan Progress Report	To correct the Appendix A entry relating to the Escalation Status Actions report Matters Arising	JJ	October 2023	Completed The table has been updated for the Oct ARAC progress report.

Appendix 1 – Management Response to the Savings Schemes Governance Review undertaken by the Director of Corporate Governance

Rec no	Recommendation	Recommendation Owner	Management Response	By When	Progress as at 09/10/23
1	<p>A formal process to convert opportunities into savings plans whereby identified opportunities are considered, agreed with Executive and operational leads before any savings targets are shared with the Board needs to be developed. Sufficient time needs be built in to undertake this process which needs to be agreed by the Board. This needs to be undertaken much earlier to allow time for realistic savings plans to be considered by Board as part of the Annual Plan.</p>	Executive Director of Finance	<p>Savings should never be a once per year activity, but it is agreed that an annual consideration arises from planning processes. Without increasing organisational burden, the remit of the Directorate Improving Together framework and Core Delivery Group should automatically encompass conversations of in year and recurrent opportunities, then allowing direct discussion with / or escalation to Executive leaders as required. This action is also summarised within the outstanding Targeted Intervention Master Themes.</p> <p>An exercise to refresh the medium term financial outlook is underway and is reporting into Executive structure at regular points. This will include options for the Board on future trajectories, including financial breakeven. Having selected a trajectory an underlying annual and cumulative savings</p>	<p>Complete</p> <p>Medium Term financial plan by 31/03/24</p>	<p>As part of the annual planning process, the refreshed Opportunities Framework was presented to Executive Team at December 2022 and February 2023 meetings, February included a longlist of potential choices for the Health Board, presented to and formally rejected or agreed for further consideration, via a nominated lead.</p> <p>In year the minimum savings requirement is £19.5m, as agreed via annual plan. Whilst progress made operational plans incomplete at this point and routinely communicated and escalated via Executive Team.</p>

			<p>requirements, before further cost pressures, will be clearly spelt out.</p> <p>Three processes and principles have been refreshed and signed off with Welsh Government representatives as part of their Targeted Intervention approach and already address this recommendation. They cover the identification and approval of opportunities (Opportunities Framework), once considered how these are then formalised (Project Initiation Document) and then the process to declare, assess and monitor these savings plans, including their place in routine monthly and weekly updates (Financial Planning [Savings]).</p>	<p>Process(es) complete</p>	<p>Process outline shared with and approved by Executive Team June 2023.</p> <p>Complete</p>
2	<p>The process for identification of savings needs to commence much earlier in the financial year which would remove the concerns regarding these being based on the month 10 position and provide greater assurance to the</p>	<p>Executive Director of Finance</p>	<p>30 September 2023</p>	<p>The next management response, sets out a proposed timeline to remedy this recommendation.</p>	

	Board when considering the Annual Plan.				
3	An agreed process for developing and agreeing savings plans/targets with standardised reporting and clear governance on how changes to plans are agreed and reported needs to be put in place including guidance on the maintenance of a robust evidence bank and audit trail of documentation to be reintroduced.	Executive Director of Strategy and Planning	<p>The intention is to adopt a continuous planning cycle within the Health Board. However, the immediate proposal ahead of 24/25 would be:</p> <p>1. Initial Planning Considerations for Operational and Savings (September - October 2023):</p> <p>Action - Begin early discussions with operational, finance and workforce teams to identify potential opportunities.</p> <p>Action - Initiate the process of savings identification for the 2024/25 financial year and agree the quantum required.</p> <p>2. Drafting Stage (November - December 2023)</p> <p>Action - Carry out a financial assessment to identify potential savings and the preliminary financial gap.</p> <p>Action - Produce the first draft of the savings plan, including the</p>	Complete -On Track	<p>The schedule set out remains on track. There is an agreement to utilise and add the Planning Steering Group to the recently introduced groups Core Delivery Group and the Financial Control Group. Whilst there will be a clear Terms of Reference for the Planning Steering Group (PSG), it is important to highlight that a significant proportion of the plans being developed by CDG will have both an in-year Part Year Effect (PYE) and a Full Year Effect (FYE) in 24/25 focus. The CDG plans have are predominately focused on financial run rate reductions.</p> <p>Therefore, the PSG will also review all aspects of the annual plan, including performance and Ministerial Priorities, quality, and delivery. Finally, subject to receiving the Health Board receiving the financial allocation from Welsh</p>

appropriate data sources and monitoring proposal.

3. Refinement Stage (January - February 2024)

Action- Refine the financial and operational plans, based on feedback from the executive team, the board, and other key stakeholders. This should involve multiple rounds of review and revision.

Action - Finalise the annual plan, incorporating the identified savings and operational plans to address the financial gap.

4. Final Review (Early to Mid-March 2024)

Action - Conduct a final review and sign-off of the plan with the executive team and the board, making last-minute adjustments as required.

Action - Secure the final approval from the board.

Government this will support the Health Board in understanding any additional savings requirements.

			<p>5. Submission (By 31st March 2024)</p> <p>Action-Submit the approved annual plan by the deadline.</p> <p>6. Post-Submission (After 24 March 2024)</p> <p>Action- Communicate the ratified plan to all stakeholders and commence its execution.</p> <p>Action- Monitor progress against the plan on a regular basis, making adjustments including remedial actions as necessary.</p>		
4	Ensuring access to support for scheme leads including operational planning, finance, governance and project management. This will vary dependent on value of the scheme.	Executive Director of Strategy and Planning	<p>In recognition of recommendation 4, we agree that comprehensive support for scheme leads is crucial for the successful implementation of our plans. This includes operational planning, financial management, governance, and project management support, all of which are critical components of any effective savings plan.</p> <p>In response, we will take the following actions:</p>	Complete -On Track	<p>The action has been complete. However, some aspects have slightly evolved from the original response due to the Annual Plan Recovery work.</p> <p>As part of the Core Delivery Group (CDG) a number of resources have been allocated to support the Health Board in developing a clear recovery plan.</p>

1. Resource Allocation (Starting immediately and ongoing)

Action - Assess the needs of each scheme lead, taking into account the value and complexity of their respective schemes. This will help us allocate resources and support effectively and efficiently.

2. Support Structure Development (September - October 2023)

Action - Develop a robust support structure that provides scheme leads with access to expertise in operational planning, finance, governance, and project management. This includes establishing clear communication lines and creating a comprehensive repository of resources and guidance.

3. Support Implementation (November 2023 - March 2024)

Action - Implement the support structure and monitor its effectiveness throughout the

Furthermore, these plans are intended to provide the foundations for the Health Board over the next 18 months.

There has been support allocated to all of the operational plans requiring corporate support. In order to achieve this, a number of individuals have formed part of a core recovery and delivery team. Due to the scale of the challenge and the on-going need to identify, develop and implement robust plans, a number of the Planning Objectives have been reviewed to shift resources wherever possible to support recovery work which will lay the foundations for 24/25.

planning and execution phases of the savings scheme, ensuring triangulation and assumptions are stress tested. This will involve regular check-ins with scheme leads and adjustments to the support provided as necessary.

4. Continuous Review and Improvement (After March 2024 and ongoing)

Action - Review the support provided regularly to ensure it continues to meet the needs of scheme leads and contributes effectively to the success of the savings scheme. This will involve gathering feedback from scheme leads and using this to inform improvements to the support structure.

We are committed to ensuring our scheme leads have the resources and support they need to be successful, and we believe these actions will help us achieve that goal.

5	<p>Documented programme documentation setting out executive and operational leads responsibilities, a clear scope with defined baseline, parameters and clear milestones/trajectories, actions, risks, and agreed savings target with identified cash releasing amount, signed off by executive lead and finance needs to be developed.</p>	<p>Executive Director of Strategy and Planning</p>	<p>For noting in the response: This response, can be supported by the formal documentation described for point 1.</p> <p>Furthermore, to accompany the Project Initiation Documentation; there is also the project management software PACE for the overall operational management of the savings scheme. These two project support documents when executed in accordance with Master Action C (Amalgamation of TI key deliverables) creates not only a very clear and robust process but ensures that:</p> <ol style="list-style-type: none"> 1. There is a clear Work Breakdown Structure – setting out the sequencing and interoperability of the project/programme and the owners of each task; resulting in absolute clarity of roles and responsibilities and timelines. 2. The Project Documentation has clear Demand and Capacity analysis, including a baseline assessment, milestones and trajectories with triangulation 	<p>Complete -on track</p>	<p>Through the Recovery work there has been clear documents developed and all of the Directorate responses and plans are held in one place. There is robust version control, clear actions and roles and responsibilities allocated. The directorate plans also contain clear milestones and risks. Finally, where any plan has deviated from the delivery contained in the milestones, early detection has meant the CDG can take all reasonable mitigating actions to reduce any slippage.</p>
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			<p>across planning, finance and workforce.</p> <p>Finally, all of the above are part of the thematic alignment (within Targeted Intervention) with an Action Plan setting out clear actions and sub-actions, which it is submitted will provide the delivery vehicle to address this recommendation.</p> <p>Finally, there will be the triangulation within the MDS for each saving scheme. By identifying a clear baseline, the activity planning assumptions will be triangulated, within the financial and workforce MDS tabs.</p>		
6	There needs to be a clear and consistent reporting into Executive Team, ensuring any concerns are escalated promptly with mitigation plans, and all schemes are reviewed in full as opposed to focusing on one element of one scheme this will however be dependent of the value of the scheme.	Executive Director of Finance	Savings progress and risks are shared via weekly and monthly packs to Executive Team. This includes a clear description of progress, and a risk adjusted latest forecast performance against all savings schemes verses their original plan, as well as against the targets set by directorate.	Complete	Complete

7	Developing a positive culture in respect of accountability, ownership and delivery of saving schemes, where lessons are learnt together to improve the Health Board's ability to deliver planned savings.	Executive Director of Finance	<p>The cultural aspects of this recommendation have applicability beyond the savings element alone, as a holistic responsibility for managers and leaders across the Health Board.</p> <p>In implementing a recent external review of financial management (ARCUS) releasing and focusing time for business partners is integral and will include such communication and support.</p>	<p>Ongoing for 2023/24 31 March 2024</p> <p>31 March 2024</p>	<p>Clear progress being made with Executive accountability sign off for 2023/24. With onward delegation at the discretion of each Executive lead.</p> <p>Finance education programmes are being refreshed and will include expectations and responsibilities for savings.</p>
8	The Board should have clear and detailed saving plans presented within the Annual Plan, which can then be monitored throughout the financial year by SRC and to Board. Any changes to saving schemes should be included within these reports with clear narrative if there any changes to the level of savings identified, changes in leadership and any other changes.	Executive Director of Finance	As described in responses to recommendations 1 and 6. Specifically here this relates to the Financial Planning [Savings] process which incorporates all of the elements noted and are then reported through the noted weekly and monthly cycles.	Complete	Process in place, the organisational response to in year and preparation for future years are ongoing as part of the routine business of the organisation, as facilitated by the Planning directorate through the planning cycle.