

**COFNODION Y CYFARFOD PWYLLGOR ARCHWILIO A SICRWYDD RISG  
CYMERADWYO  
APPROVED MINUTES OF THE AUDIT AND RISK ASSURANCE COMMITTEE MEETING**

Date of Meeting: 09:30, Tuesday 15 October 2024  
Venue: Board Room, Ystwyth Building, St David's Park, Carmarthen and via Microsoft Teams

Present: Cllr. Rhodri Evans, Independent Member (Committee Chair)  
Mr Winston Weir, Independent Member (Committee Vice-Chair)  
Mr Maynard Davies, Independent Member  
Mr Michael Imperato, Independent Member  
Mrs Eleanor Marks, Vice-Chair, HDdUHB

In Attendance: Ms Anne Beegan, Audit Wales (VC)  
Mr David Williams, Audit Wales (VC)  
Mr James Johns, Head of Internal Audit, NWSSP  
Ms Sophie Corbett, Deputy Head of Internal Audit, NWSSP (VC)  
Mr Martyn Lewis, Internal Audit, NWSSP (VC) (part)  
Mrs Joanne Wilson, Director of Corporate Governance/Board Secretary  
Miss Charlotte Wilmshurst, Assistant Director of Assurance and Risk  
Mr Huw Thomas, Director of Finance  
Mr Ben Rees, Head of Local Counter Fraud Services (part)  
Professor Philip Kloer, Interim Chief Executive (part)  
Mr Andrew Carruthers, Chief Operating Officer (part)  
Ms Sharon Daniel, Interim Director of Nursing, Quality and Patient Experience (part)  
Mr Shaun Ayres, Deputy Director of Operational Planning and Commissioning (VC) (part)  
Ms Mandy Davies, Assistant Director of Nursing and Quality Improvement (part)  
Mrs Sam Hussell, Head of Emergency Preparedness, Resilience and Response (VC) (part)  
Mr Anthony Tracey, Digital Director (VC) (part)  
Ms Carolyn Williams, Head of Digital Innovation and Transformation (VC) (part)  
Ms Sarah Procter, Deputy Head of Radiology (VC) (part)  
Mr Tom Alexander, Principal Programme Manager (VC) (part)  
Ms Marilize du Preez, Improvement and Transformation Lead (VC) (observing)  
Ms Clare Moorcroft, Committee Services Officer (minutes)

<b>Minutes Ref.</b>	<b>Item</b>	<b>Action</b>
<b>AC(24)158</b>	<p><b>Introductions and Apologies for Absence</b></p> <p>Cllr. Rhodri Evans, Audit and 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 Lee Davies, Director of Strategy and Planning</li> <li>• Dr Ardiana Gjini, Director of Public Health</li> <li>• Ms Ceri Griffiths, Interim Assistant Director of Nursing</li> <li>• Ms Lisa Humphrey, General Manager, Women and Children's Directorate</li> </ul>	

**AC(24)159**

**Declaration of Interests**

No declarations of interest were made.

**AC(24)160**

**Minutes of the Meeting held on 13 August 2024**

**RESOLVED** – the Minutes from the meeting held on 13 August 2024 were approved as an accurate record.

**AC(24)161**

**Table of Actions**

An update was provided on the Table of Actions from the meeting held on 13 August 2024 and confirmation received that outstanding actions had been progressed. In terms of matters arising:

**AC(24)107** – Members were reminded that the review of Primary Care governance has been split into two workstreams: around sustainability of services; and operational Primary Care governance. The first of these will be reported to the November 2024 Public Board; the latter is aligned with the wider operational governance work being undertaken and will take longer.

**AC(24)141** – noting the statement that the Independent Member (IM) Handbook has been updated, Mr Maynard Davies enquired where a copy of this might be obtained. Mrs Joanne Wilson committed to send a link to the document.

**JW**

**AC(24)143** – Mr Winston Weir suggested that an action around prioritising cost savings recommendations had not been captured, emphasising the critical nature of ensuring this. In response, Mr Huw Thomas assured Members that dates have been defined for delivery of recommendations which, effectively, prioritises them. Members were further assured that delivery against these is being tracked via the Audit Tracker. It was agreed that a copy of the report, with dates, would be shared with Mr Weir.

**HT**

**AC(24)149** – the progress report in relation to Transforming Urgent and Emergency Care appears later on today's agenda.

**AC(24)162**

**Matters Arising not on Agenda**

There were no other matters arising.

**AC(24)163**

**Escalation Status Update Report**

*Professor Philip Kloer and Mr Shaun Ayres joined the Committee meeting.*

Introducing the Escalation Status Update Report, Professor Philip Kloer drew Members' attention to the documentation supporting this item, as follows:

1. Covering SBAR
2. Slides presented at Targeted Intervention (TI) meeting in September 2024
3. Welsh Government letter dated 3 October 2024, issued following above meeting
4. Slides forming TI Reporting Framework October 2024

Members heard that the meeting in September 2024 was the Health Board's second with Welsh Government since the organisation was placed into TI. At Welsh Government's behest, There had been no meeting during the summer, due to the timing of the Joint Executive Team (JET) meeting. Professor Kloer felt that the September meeting had been fairly constructive and positive. Whilst the Director General for Health and Social Services had recognised that the Health Board had made some progress, there were a number of areas still requiring focus. These 8 areas were detailed in the table titled 'Alerts and Advise aligned to Welsh Government Feedback' within the second set of slides, and are RAG rated in terms of status. Whilst related to the 56 areas of TI monitoring, they are the issues which Welsh Government have particularly highlighted as priorities.

With regard to finances, the Health Board faces a clear challenge in terms of the Welsh Government Control Total of £44.8m, particularly as it does not yet have a clear route to achieving this. The organisation has set a forecast deficit for this year of £64m, and this has risks attached. It should be noted that this figure does not allow the Health Board to meet its Statutory Duty, or the Board's or Welsh Government expectations.

Mr Shaun Ayres explained that the finance figures within the documentation are for last month rather than this month, due to the timing of the report. These will be updated for the Sustainable Resources Committee (SRC) and Strategic Development and Operational Delivery Committee (SDODC). The current financial position is £0.2m adrift of plan; however, the timing of reporting impacts on this. In terms of the 8 priority areas, Mr Ayres believed that 2 of these can be closed relatively quickly (within the next couple of weeks). These are Number 2, in relation to Quality Impact Assessments (QIAs) and Number 7, in relation to Workforce. There is still a balance to be struck around the relationship to specific committees, as there is some overlap and a need to ensure totality of perspective. The request of committees would be to support resource allocation to achieve the 8 priorities, and to take assurance around the actions being implemented. These form the building blocks towards meeting the 56 de-escalation criteria.

Referencing priority Number 5, Mr Davies observed that the focus appears to be on the need to address complaints more quickly.

However, he felt that the issue was also the number of complaints, and the fact that HDdUHB has the most complaints per thousand population in Wales. Mr Davies enquired regarding efforts to reduce the number of complaints. Whilst he was sure that this was happening, he suggested that it was not adequately reflected in the report. With regard to the table outlining the 8 priority areas, Mr Davies noted that none of the actions outlined had completion dates. Cllr. Evans echoed this concern.

In terms of Mr Davies' first query, Professor Kloer recognised the need to respond in a timely fashion to complaints and advised Members that he has already been in discussion with Ms Sharon Daniel and colleagues around this. A key priority is learning from complaints; for example, communication is a recurrent and significant issue. Early and effective communication with patients and their families can avoid complaints. This is an area where the Health Board needs to make progress. Responding to the second query, Mr Ayres advised that he had been cognisant of the need for completion dates. All will need to be completed or show sufficient progress and clarity by January 2025. However, Mr Ayres was also aware of the need to agree timescales with the relevant Lead Executives, rather than propose arbitrary dates himself. Members heard that there will be discussion of this at this week's Executive Team meeting.

Mrs Wilson drew Members' attention to imminent implementation of the new Putting Things Right Regulations, which will change the dates for responding. There have been workshops in relation to the new process. Also, the topic of complaints is scheduled for discussion at the next Quality, Safety and Experience Committee (QSEC) meeting. In terms of determining dates, Mrs Wilson suggested that the role of the TI Coordination Group should be considered. In response to a query around when there will be clarity around the dates, Members were assured that this information will be available at the next meeting; however, it was emphasised that dates will need to be set well before this, to ensure sufficient pace and progress.

Returning to the 8 priority areas, Mr Michael Imperato wished to reiterate previous comments around ARAC's role and remit. He understood this to be concerned with taking assurance around the fact that actions are being taken, rather than examining or deciding the actions which should be taken. ARAC should be evaluating how the other committees are managing, scrutinising and monitoring the actions, for example QSEC's scrutiny of actions in relation to complaints, as mentioned above. Whilst effectively duplicating what is reported to Board, this information should also be provided to ARAC. Mrs Wilson confirmed that the remit of ARAC in this process is to take assurance on progress; with the addition of overseeing the Governance domain. She emphasised, however, that ARAC does need to 'trust' to an extent that other committees are fulfilling their remit with regard to TI. Taking Members' comments into account, it was agreed that Mrs

Wilson would discuss with Mr Ayres the format and content of the Escalation Status Update report.

**JW**

Mr Ayres explained that the reason for focusing on the 8 priorities, rather than the 56 de-escalation criteria, was to facilitate more straightforward tracking by ARAC. He agreed with Mrs Wilson that committees have been specifically tasked with taking ownership of individual areas and ensuring that the correct actions are being taken to progress these. In terms of completion dates, he expected these to be agreed this week. Whilst agreeing that it was correct to allocate specific areas to committees, Mr Weir felt that there is a disproportionate emphasis on SDODC, which always has an extensive agenda. The areas allocated to this committee involve significant issues, unlikely to be resolved quickly. It was suggested that there might be an argument for standing down the more 'routine' SDODC business.

Mr Weir also expressed concern that there seems to be a disproportionate focus on 'the here and now', at the expense of the Health Board's Strategy and areas such as preventative care. In response, Mrs Wilson reminded Members that it is the role of the Board to set the organisation's Strategy. Further, the Board has approved the allocation of TI related tasks to committees. Whilst acknowledging the comment around SDODC's workload, Mrs Wilson advised that the committee structure is being reviewed and is likely to change in the New Year. It may be that the current workload pressures will need to be managed for now. Mr Davies felt that there was an issue of prioritisation; there is also an issue of timing. With ARAC meetings scheduled for the beginning/middle of the month and SDODC meetings scheduled for the end of the month, it is challenging to provide assurance. As suggested by Mrs Wilson, there are opportunities to refine the process as part of the committee structure review.

Referencing priority Number 7, Mrs Eleanor Marks noted that staff morale and the staff survey findings have been highlighted by Welsh Government. She enquired whether leadership or improvement plans were in place to address staff morale. During Professor Kevin Fong's impactful evidence to the COVID-19 Public Inquiry, he had cited that staff did not feel that they were being listened to. Mrs Marks emphasised that it is not always about actions; it can be about actively listening to staff. In conversations with staff, it is clear that they have a passion and commitment to their work. However, and in addition, they also feel an obligation to support their colleagues. Mrs Marks felt that this is an area of focus for the People, Organisational Development and Culture Committee (PODCC) and the Board. Members heard that this had been briefly discussed at the most recent PODCC meeting; Mrs Wilson would obtain an update from Mrs Gostling.

**JW**

Returning to the issue of finances, Cllr. Evans emphasised that achieving the Control Total is a major challenge. Welsh Government clearly expects a routemap towards doing so, and Cllr. Evans requested assurance that this is in hand. Professor

Kloer reiterated that the Control Total will not be achieved this year, despite this being a Welsh Government requirement. There has not yet been any confirmation of the Welsh Government support which would be required for a year-end position of £64m. The Chair and Executive Team have committed to a routemap to achieving the Control Total of £44.8m, and need to test whether this is achievable next year. The Health Board is in a position where it is on track to deliver its forecast financial and Planned Care performance and is able to begin the exercise of planning for next year, which is not a position it has been in previously. This does not, however, diminish the challenge of achieving Welsh Government's expectations.

Mr Thomas contrasted approaches taken to financial planning, with some organisations preparing an overarching plan entirely within their Finance department. HDdUHB chooses to engage with services and departments, which – whilst more challenging – provides a more reflective position. Discussions within the Executive Team have been around meeting the requirement for approximately £20m in savings by Christmas 2024. There are two options, both of which are dependent on the allocation received from Welsh Government. If the Health Board receives a historic level of allocation growth, versus cost growth, then £20m savings will be required to achieve the forecast deficit of £64m. Should this year's allocation mirror last year's increase which (for the first time ever) matched the cost increase, then £20m savings would directly impact on the bottom line, reducing the deficit to £44m. The Health Board is actively working with Welsh Government and has issued models based on requirements to achieve the savings target. There now needs to be focused work until Christmas, when there will be clarity around what is achievable and, should this fall short, further work will be undertaken during Quarter 4. The need for ownership of the financial recovery plan by the organisation was reiterated.

Agreeing, Mr Ayres highlighted the earlier commencement of the annual planning process and explained that he anticipates this will impact on the financial recovery routemap. There will need to be consideration of the collective responsibility mentioned, and how resources are balanced between financial and performance expectations, to ensure that they are viewed jointly. Mr Davies noted that the Health Board is dependent on receipt of planning guidance from Welsh Government, and enquired whether there has been any indication of when this will be issued or its likely contents. Mr Ayres felt that the planning guidance can be somewhat of a distraction, given that the priorities therein are likely to be the same as those for TI. The key is ensuring that resources are maximised and there is clarity around what can be delivered with these. Whilst he agreed that it would be helpful to have the planning guidance at an early stage, he did not feel that the process, or progress, should be dependent upon it.

Mr Davies accepted this, whilst expressing concern that this year's guidance may contain an 'unknown' requirement which has not

been allowed for financially. Professor Kloer echoed Mr Ayres' view regarding priorities likely being the same, although it may be that there is an expectation of going even further. He agreed that absence of the planning guidance should not prevent the process from being started. Should there be a requirement for something which has not been allowed for, there will need to be a reordering of priorities. Agreeing, Mr Thomas indicated that the financial meeting with Welsh Government is scheduled for 20 December 2024, with allocations usually made by 23 December 2024. He suggested that this will potentially be more impactful than receipt of the planning guidance. Mr Thomas highlighted the issue of waiting lists, which is one of the most significant faced by the organisation. He has requested that teams cost up reducing waiting lists, so that it is possible to evaluate the financial impact. Referral to Treatment (RTT) performance scenarios will be incorporated into the planning for 2025/26 and options presented to Board, once the planning framework and the funding allocations have been received.

SA

Whilst welcoming the comprehensive update, Mr Weir indicated that he would welcome additional information around risks, and how these map across to the Corporate Risks, as part of the Governance section. Cllr. Evans requested that the next report include overarching assurance from the other committees, together with confirmed completion dates. Referencing the January 2025 deadline for completing actions, Professor Kloer noted that this aligns well with the timelines for developing an Annual Plan. The organisation will be in a position to provide a clearer indication of its ambitions and plans by that time.

CW

Mrs Marks highlighted that the financial data suggests that certain Directorates are making good progress around savings and requested assurance that others are on track to do so. In response, Mr Thomas indicated that, whilst it is possible to provide assurance around the process, it is not possible to do so around outcomes. As an example, Cancer services face growth in both activity and inflationary pressures (external costs), which makes delivery of savings extremely challenging. Other areas have routes which may enable identification of savings; however, these would require consolidation of services across two sites, requiring strategic and Board discussion and decision. Drugs expenditure also probably needs to be recognised as a relatively fixed cost. There is, however, a robust internal escalation process, which is producing opportunities for discussion.

**Decision:** The Committee:

- **NOTED** the progress made in reducing agency staff costs, improving financial control, and addressing operational challenges
- **ACKNOWLEDGED** the ongoing challenges, particularly in meeting urgent care, cancer service targets, and addressing the financial deficit

- **RECOGNISED** the commitment to achieving the £44.8 million control total by March 2026 and the need to convert non-recurrent savings into recurrent ones

The Committee agreed to **ADVISE** the Board in relation to the Health Board's Escalation Status, due to requests for additional information in the report.

*Professor Philip Kloer and Mr Shaun Ayres left the Committee meeting.*

**AC(24)164**

### **All Wales NHS Audit Committee Chairs' Meeting Update**

Members received the minutes from the July 2024 All Wales Audit Committee Chairs' meeting. Cllr. Evans requested that Audit Wales recap the information presented to this forum regarding this year's financial audit process. Ms Anne Beegan indicated that Mr Anthony Veale had outlined the new NHS Wales Finances Data Tool (a link to which appears in the Audit Wales Update Report). He had also detailed the deadline for the 2024/25 Annual Accounts, agreed with Welsh Government, which was 30 June 2025. It is intended to undertake early work with reporting bodies, to resolve potential issues ahead of the accounts process. There have been discussions with Welsh Government around improving the guidance for reporting bodies. Finally, Audit Wales had committed to provide additional training, focused on the regularity opinion, to the group. Mr David Williams added that the deadline for production of draft accounts by the Health Board is 2 May 2025. The deadline for the Annual Report, Annual Governance Statement and Remuneration Report will be 9 May 2025. The audited accounts and Annual Report are to be prepared and certified by 30 June 2025. Whilst these are challenging timelines, there are strong working relationships between Audit Wales and Health Boards, and Mr Williams was confident they will be met.

**Decision:** The Committee **NOTED** the All Wales NHS Audit Committee Chairs' Meeting Update.

**AC(24)165**

### **Scheme of Delegation**

Mrs Wilson introduced the Scheme of Delegation report, advising that there is a requirement to review this on an annual basis. The review this year has been especially detailed, with evaluation of individual job descriptions and cross-referencing to Remuneration and Terms of Service Committee (RTSC) decisions regarding roles. There will be a further structure which sits under the overarching Scheme of Delegation for the operational teams. ARAC is requested to approve the document for onward ratification by the Board.

Noting that responsibility for a number of areas now sits with multiple individuals, Mr Davies requested clarification on whether

this means that all or any are responsible for decision-making. In response, Mrs Wilson explained that this is specific to the area in question and assured Members that each individual is aware of their own scope. Building on this comment, Mr Thomas suggested that there should be consideration of Centres of Excellence, to which specific areas of responsibility can be devolved.

**Decision:** The Committee **APPROVED** Hywel Dda University Health Board's (HDdUHB's) Scheme of Delegation for onward submission to the Board for ratification on 28 November 2024.

**AC(24)166**

**Procedure 175: Management of Board and Committees  
Standard Operating Procedure**

Mrs Wilson presented the Management of Board and Committee Standard Operating Procedure for consideration and approval. Members were advised that this document has been issued for consultation and updated based on feedback received.

**Decision:** The Committee **APPROVED** the revised Policy 175 - Standard Operating Procedure for the Management of Board and Committees.

**AC(24)167**

**Audit Wales Update Report**

Ms Beegan presented the Audit Wales Update Report, advising that there is nothing further to add in terms of financial audit work. In terms of performance audit, work is taking place in relation to the Structured Assessment, which will be presented to the December 2024 ARAC meeting. There are also plans in place to publish the Review of Urgent and Emergency Care in time for the December meeting. Work has commenced in relation to the Review of Arrangements for Capital Programme Prioritisation, and the project brief is being finalised in relation to the Review of the Management of Outpatients.

In response to a query around confidence in delivery of these reports and whether additional Health Board support is required for the Structured Assessment, Ms Beegan advised that this is a well-established process and did not anticipate any issues.

**Decision:** The Committee **NOTED** the Audit Wales Update Report.

**AC(24)168**

**Review of Urgent and Emergency Care**

DEFERRED to 10 December 2024 meeting.

AC(24)169

## **Digital Benefits Realisation (Substantial Assurance)**

*Mr Anthony Tracey and Ms Carolyn Williams joined the Committee meeting.*

Mr Martyn Lewis introduced the Digital Benefits Realisation Internal Audit report, explaining that the purpose of the audit was to determine whether the principles of an appropriate benefits realisation framework have been implemented within Digital to support decision-making. The audit had established that a comprehensive benefits management framework has been developed. There is ownership of benefits, with defined actions and all new digital programmes adhere to this process. As a result, a rating of Substantial Assurance had been awarded.

Mr Thomas thanked the Internal Audit team for their audit and report, welcoming the level of assurance that this provides. He also wished to thank Mr Anthony Tracey and Ms Carolyn Williams for their efforts in achieving this improvement. It places the Health Board in a strong position in terms of taking forward digital transformation. Mr Davies echoed this sentiment, thanking the team for the significant work undertaken during the last few years. The topic of this audit has been a consistent issue for some time and the assurance offered by the report is welcomed.

**Decision:** The Committee **NOTED** the Digital Benefits Realisation (Substantial Assurance) Internal Audit report.

*Mr Martyn Lewis, Mr Anthony Tracey and Ms Carolyn Williams left the Committee meeting.*

AC(24)170

## **Internal Audit Plan Progress Report**

Mr James Johns introduced the Internal Audit Plan Progress Report, which was of the usual format. The report includes, in Section 2, details of those audits finalised since the previous meeting. Appendix A details Internal Audits for the year, together with their planned and actual delivery dates. Paragraph 3.2 outlines those audits scheduled for presentation to this meeting which have been delayed, and the status of these. Members were assured that these audits are progressing well and will be ready for the December ARAC meeting. Mr Johns advised that a new electronic audit system is being implemented, which it is hoped will offer efficiencies going forward. A new audit report template is also being developed. Members heard that a new set of global audit standards will be introduced in 2025. These will replace the current subset of Public Sector audit standards. Whilst work is taking place to consider the implications locally, Mr Johns did not envisage any significant issues or impact on the current operating process. There are likely to be changes in term of arrangements for monitoring management actions and how these are evidenced. This is being worked through currently.

In response to a request for clarification regarding the final point, Mr Johns explained that there is a division of wording in relation to monitoring of actions and clarity is required around Internal Audit versus organisational responsibilities. Mrs Wilson added that she Chairs an Internal Audit Working Group, which is exploring a standardised template across Wales in terms of evidence and completion dates. The new standards will give more authority to Internal Audit to close down recommendations. There has also been an increase in Welsh Government requirements in terms of monitoring progress on Limited Assurance reports. Whereas this has been reported on a quarterly basis, interim progress reports are now required. There needs to be cognisance of the role of Audit Committees in supporting this process. The Group is exploring how these various elements can be managed in a coherent manner. Mr Davies requested that clarity around these new processes be provided when possible, as he was concerned that they will increase staff workloads and reduce capacity for addressing audit recommendations.

Noting the 4 deferred audit reports, Cllr. Evans requested assurance that the delay was not caused by the Health Board, and that there will not be an excessive number of reports for consideration at the end of the year. Mr Johns confirmed that the deferred reports will be finalised in time for the December 2024 meeting, and that the other reports scheduled for December are on track for delivery.

**Decision:** The Committee **TOOK ASSURANCE** with regard to the delivery of the Internal Audit plan for 2024/25 year and the outcomes of the finalised audit reports.

**AC(24)171**

### **Falls Management (Reasonable Assurance)**

*Ms Sharon Daniel and Ms Mandy Davies joined the Committee meeting.*

Ms Sophie Corbett introduced the Falls Management Internal Audit report, explaining that the purpose of the audit was to review arrangements across the Health Board for the prevention and management of falls and to assess progress made in implementing recommendations from the previous internal audit. Whilst there have been improvements in certain areas, other issues previously identified still remain and further action is required to ensure the associated risks are fully addressed. These include the falls policy not having been updated; instances of falls risk assessments not having been completed; lack of progress in development of the falls strategy; delays in the investigation of falls incidents; gaps in assurance reporting to QSEC. One high priority Matter Arising was identified, relating to Multifactorial Falls Risk Assessments (MFRAs). A rating of Reasonable Assurance had been concluded.

Ms Sharon Daniel thanked Ms Corbett and the Internal Audit team for their report, and for working with the Health Board team. As mentioned, this is a follow-up audit, which recognises a number of improvements, whilst identifying that there is still more to do. Ms Daniel welcomed the roll-out of the Welsh Nursing Care Record (WNCR) across the Health Board, which has facilitated reporting on the number of risk assessments undertaken. This has provided valuable information regarding compliance and timeliness of compliance, which has been discussed at the Senior Nurse Management Team meeting. An audit will be conducted, together with various other actions, to enable this high priority matter to be addressed. Progress will be monitored by the new Quality and Safety Sub-Committee (QSESC). Reporting of falls will be reviewed, and will continue to be via QSEC.

In response to a query, Members noted that the Chair of the Inpatient Falls Group is Ms Ceri Griffiths. Mr Thomas reported that he had recently attended the NHS Wales Shared Services Partnership Committee Planning meeting. There had been a discussion around the Welsh Risk Pool, and the two areas in which cases are most challenging to defend due to poor paperwork (across the NHS in general). The first was pressure sores and the second was falls. Mr Thomas suggested that it may be worth triangulating cases which involve falls in terms of risk assessments and audits. It appears that this locally-identified issue may be replicated in cases which come to be defended nationally. Ms Daniel highlighted that the WNCR is being rolled out across all Health Boards, so all will have access to data around risk assessments and the timeliness of these, which may present opportunities for further work in the future.

Mr Davies welcomed the positive benefits seemingly being delivered by the WNCR. He enquired how HDdUHB compares with other Health Boards in terms of numbers of falls. Also, with regard to the management response to Matter Arising 2, whilst this references development of a Falls Strategy and clarity around the responsibility for this, it does not indicate the expected timescale. Ms Daniel explained that the focus until now has been very much on inpatient falls. There needs to be consideration of whether a wider view should be taken, around frailty, falls prevention, etc. Ms Mandy Davies advised that the Falls Strategy is largely focused on prevention of falls. A number of projects relating to falls have been included in the Enabling Quality Improvement in Practice (EQliP) programme. In terms of timescale for finalisation, Members were assured that this was relatively short. Consultation and engagement would be required to take on board different perspectives; it was estimated that the Falls Strategy would be available by March 2025.

Referencing paragraph 2.18, Mr Weir noted that compliance with falls risk assessment within six hours of admission is some way off being achieved. He enquired whether ad hoc audits could be conducted to provide more assurance around compliance, and whether there is a sense of what is preventing this compliance. In

response, Ms Davies was of the opinion that risk assessments are being completed; however, they are not necessarily being recorded effectively. Building on this, Ms Daniel noted the need to ensure that equipment to document risk assessments is available to staff at the initial point of care, and that staff are aware of the importance of recording these. There are plans to undertake conversations with regard to the latter. In regard to the potential for audits, Ms Davies advised that it is planned to include this area in the nursing audits and agreed to take this forward. Returning to Mr Davies' first query, data around how HDdUHB compares with other Health Boards would also be sought.

SD/MD

SD/MD

With regard to Appendix C, Mrs Marks indicated that she would have expected to see higher numbers of falls (relatively) on frailty wards. She enquired whether it was a surprise to see the numbers of falls in other wards, noting that she had visited a frailty ward recently, where one patient had accounted for 50% of the falls recorded. Ms Marks wondered how much the figures take account of particularly frail individuals. Also, whether there is a focused approach of encouraging the 'at risk' wards to complete risk assessments within six hours, ahead of other wards. Ms Davies emphasised that frail patients are not restricted to frailty wards. She would expect wards where there are 'at risk' patients to have appropriate management plans in place. There is potentially learning from certain clinical areas in terms of arrangements and processes in place for preventing and managing falls, whilst enabling rehabilitation, which should be shared across the Health Board to address frailty. Mrs Marks agreed that there will be specialist knowledge which can be shared.

Echoing Mr Thomas' earlier comments, Mr Imperato highlighted that falls is one of the most significant issues in the hospital setting, particularly in terms of contribution to medical negligence claims. As such, he enquired whether the report would be shared with QSEC. Mrs Wilson explained that falls data is routinely reported to QSEC via the quality assurance report, and Ms Daniel further advised that this type of cross-committee conversations do take place; having mentioned the report at a QSEC agenda-setting meeting yesterday, and a Charitable Funds Committee agenda-setting meeting today. Following further discussion, it was agreed that Mrs Wilson would share the report with the Chair of QSEC.

JW

Noting that a number of issues from the original audit in 2022 remained unresolved, Cllr. Evans requested assurance around whether completion dates are realistic. In response, Ms Daniel noted that most are process-based. She acknowledged, however, the need to monitor outcomes and compliance, advising that this will be managed via the Inpatient Falls Group.

**Decision:** The Committee **NOTED** the Falls Management (Reasonable Assurance) Internal Audit report.

The Committee agreed to **ADVISE** the Board in relation to the Falls Management (Reasonable Assurance) Internal Audit report, due to the concerns highlighted during its discussion.

*Ms Sharon Daniel and Ms Mandy Davies left the Committee meeting.*

**AC(24)172**

**Emergency and Business Continuity Planning (Reasonable Assurance)**

*Mrs Sam Hussell joined the Committee meeting.*

Ms Corbett introduced the Emergency and Business Continuity Planning Internal Audit report, advising that the purpose of this audit had been to review, assess and provide assurance over the arrangements in place for emergency response and business continuity planning. Audit findings suggest that the Health Board has a clear emergency and business continuity framework in place, with an established Emergency Planning Team providing support to directors and service managers. One high priority finding was identified, relating to operational teams not fulfilling their responsibilities to develop business continuity plans and undertake regular testing as outlined in policy. This includes the absence of business continuity plans, no testing of plans in place and instances of individuals not fully aware of their roles during a major incident. One medium priority finding was identified, in relation to a full emergency policy testing exercise having not taken place for several years. An overall assurance rating of Reasonable Assurance has been returned.

Mrs Sam Hussell thanked the Internal Audit team for their findings. She suggested that the comprehensive audit process had served to highlight the challenges involved in raising the profile of and embedding business continuity into day-to-day business.

Referencing paragraph 2.25, Mr Weir noted the finding that 'some individuals (were) not fully aware of their roles during a major incident'. He felt that this was not reflected in a rating of reasonable assurance. In response, Mrs Hussell explained that this finding relates specifically to cascade testing, which is the process used to activate a major incident response. With staff changing roles, and particularly with medical staff rotating between locations, it can be challenging to ensure that those identified as Action Card holders have not moved on. In any instances of individuals unsure of their role, this is followed up with their service manager and steps taken to ensure they receive the training they require. This is undertaken regularly (at least twice per year on each site), so that changes in personnel are picked up. There is also an e-learning module which staff can undertake to improve knowledge in this area and address any shortfalls. With regard to the latter, Mr Weir enquired whether it is possible to check – at any point in time – that staff have completed the relevant training. It was confirmed that this is the case.

Cllr. Evans noted that two of the completion dates for actions are approaching, and requested assurance that these are on track. Mrs Hussell confirmed that they are, with all six areas which were non-compliant having engaged and in the process of finalising their business continuity plans. There has been a marked improvement in terms of engagement. The other actions are all on schedule. A live major incident exercise is planned for February 2025, which will be a multi-agency exercise with 'live play' at the scene. It will test the Emergency Department at Glangwili Hospital and will also (for the first time) test Mortuary capacity. The police disaster victim identification teams will be participating in this comprehensive test.

In response to a query regarding where the emergency planning reports within the committee structure, Mrs Wilson advised that it reports to the Health and Safety Committee. Mr Weir enquired regarding the response process for IT system failure and was advised that this is managed within Digital Resilience processes, which are separate. Members were reminded that Technical Resilience had been audited in December 2023.

**Decision:** The Committee **NOTED** the Emergency and Business Continuity Planning (Reasonable Assurance) Internal Audit report.

The Committee agreed to **ASSURE** the Board in relation to the Emergency and Business Continuity Planning (Reasonable Assurance) Internal Audit report.

*Mrs Sam Hussell left the Committee meeting.*

**AC(24)173**

### **Ultrasound Services (Reasonable Assurance)**

*Mr Andrew Carruthers and Ms Sarah Procter joined the Committee meeting.*

Ms Corbett introduced the Ultrasound Services Internal Audit report, explaining that the purpose of the audit was to review the key controls in place to manage and mitigate the risk of the inability to provide a full range of Ultrasound Services, including antenatal, across the Health Board. The audit confirmed actions taken to mitigate the identified risk 797, with satisfactory scrutiny evident at local group and sub-committee level. Two medium priority findings were identified, relating to the unavailability of the plan to alleviate pressure in Ultrasound Services; and the review and revision of implemented key processes and gaps in control to ensure validity and appropriateness. An overall rating of Reasonable Assurance had been concluded.

Members heard from Mr Andrew Carruthers that Ultrasound Services has been an area of particular operational risk for some time. The challenge is largely workforce resource related, although there is also an issue specific to sonography, which is

the risk of Repetitive Strain Injury (RSI), requiring variation in staff work plans/patterns. Outsourcing has provided the most significant mitigation to meet the capacity gap in Ultrasound service provision. Mr Carruthers hoped that any allocation of Planned Care Recovery Funds will facilitate a continuation of this. Members were assured, however, that the service is also exploring other approaches to maximise the pool of sonography staff available.

Cllr. Evans noted the statement in the management response to Matter Arising 1 that 'There is only one midwife who has the appropriate qualification to undertake growth scans'. He enquired whether it is planned to train others and whether there are staff willing to be trained. Ms Sarah Procter confirmed that there are midwives interested in being trained; the challenge is scheduling their training. She explained that this is dependent on agreement of a contract with Health Education and Improvement Wales (HEIW). Once agreed, staff can be booked on courses beginning in January 2025. Hence the completion date for this action.

**Decision:** The Committee **NOTED** the Ultrasound Services (Reasonable Assurance) Internal Audit report.

The Committee agreed to **ASSURE** the Board in relation to the Ultrasound Services (Reasonable Assurance) Internal Audit report.

*Ms Sarah Procter left the Committee meeting.*

**AC(24)174**

### **Transforming Urgent and Emergency Care - Progress update on Management Response**

*Mr Tom Alexander joined the Committee meeting.*

Presenting the Transforming Urgent and Emergency Care (TUEC) Progress Update, Mr Carruthers reminded Members that a report on this topic had been presented to the previous meeting, where it was agreed that a further update would be prepared. He hoped that the revised report is relatively self-explanatory and meets the Committee's requirements. Mr Carruthers understood that the team has been in the process of submitting evidence to Internal Audit in order to seek closure of the recommendations. Mr Tom Alexander confirmed that evidence has been submitted and that there had been a meeting with Internal Audit, who are content with the Health Board's response. Ms Corbett confirmed that this was the case, and that there were no outstanding concerns on the part of Internal Audit.

Welcoming the revised report format and the information provided, Cllr. Evans thanked the team for their efforts. Mrs Marks highlighted that there are clearly still inconsistencies across sites, whilst noting the intention is to address this. She also reported variation in feedback around services and waiting times,

requesting assurance that regular updates are being sought to ensure that actions are being implemented and that these are having impact. In response, Mr Carruthers contrasted the Health Board's current position with a year ago. He felt that the transformation programme, and operational and performance improvement programmes had previously been regarded as separate, whereas they are now embedded and aligned.

Mr Carruthers accepted, however, that these are not consistently embedded or implemented to the same degree across all sites. There are pockets of excellence in certain locations and services. This is an area still requiring focus and improvement, in terms of establishing a more consistent and recognisable service model and level of service across the three counties, recognising that there will always be a degree of operational variation. Whilst there are signs of improvement, Mr Carruthers acknowledged that the level of performance is not where the organisation would wish it to be. This presents one of the most challenging areas for the Health Board; however, it also offers multiple opportunities. Mr Davies confirmed that SDODC receives regular reports on this issue, which reflect the additional context provided by Mr Carruthers.

**Decision:** The Committee **TOOK ASSURANCE** that all management actions from the TUEC programme Internal Audit are complete.

*Mr Andrew Carruthers and Mr Tom Alexander left the Committee meeting.*

**AC(24)175**

**Speaking Up**

DEFERRED to 10 December 2024 meeting.

**AC(24)176**

**Nursing Management**

DEFERRED to 10 December 2024 meeting.

**AC(24)177**

**Health and Safety**

DEFERRED to 10 December 2024 meeting.

**AC(24)178**

**Cash Management**

DEFERRED to 10 December 2024 meeting.

**AC(24)179**

**Financial Assurance Report**

Mr Thomas introduced the Financial Assurance Report, indicating that this is of the usual format. He drew Members' attention to breaches of the 'No PO (Purchase Order), No Pay' Policy which,

whilst showing a reduced trajectory, do fluctuate. Mr Thomas had issued letters to both managers and suppliers (the latter via Shared Services). Invoices which do not meet requirements in terms of authorisation in advance will be returned unpaid. Mr Thomas wished to highlight success in reducing the numbers of Single Tender Actions, with none approved for 5 months. There would be one requiring approval in the near future, for LinkedIn, which is the only provider of a social media platform for professional networking.

Overpayments of salary continue to increase in terms of monthly trend, although the value of these has been on a reducing trajectory for 4 months. Whilst Mr Thomas did not want the organisation to be overpaying staff, he was not concerned by the exposure involved, due to the short-term repayment profile involved. Highlighting the request for approval of losses and special payments, Mr Thomas explained that the payment in question is to the Department of Work and Pensions, and resulted from a service failing to submit relating to the Access to Work scheme by the required deadline. The responsibility for this sits with the relevant Directorate and has been raised with their management. There has been an improvement in VAT recovery rates (at source), from 60.3% in 2022/23 to 61.8% in 2023/24. Referencing section 2.8, Financial Compliance, Mr Thomas highlighted work started last year, around mapping controls processes and documentation. This is also showing success, and will continue for the next few years.

Members heard that there are instances of individuals who reside elsewhere and own holiday caravans situated within the Health Board catchment area using the address of their holiday caravan park as their permanent residential address. This allows them to access local health services and is problematic for the Health Board for a number of reasons, including the cost of free prescriptions. There is a 'double impact', due to temporary homes not attracting any NHS funding from Welsh Government; and an inability to recover costs from the 'home' Health Board or Clinical Commissioning Group. This represents a breach of holiday park licencing regulations and the Health Board is working with Local Authorities to address the issue.

With regard to the latter, Cllr. Evans requested clarification around the practicalities and ease of establishing this information as a Health Board. Also, the monetary amounts involved. Mr Thomas advised that, whilst the organisation does not necessarily possess the information in its Primary Care systems, it is available when individuals access Secondary Care services. In terms of the sums involved, this is probably in the tens to hundreds of thousands pounds bracket. In response to a suggestion that there may be an element of ignorance of the system, Mr Thomas agreed that this may be a contributory factor, which will be addressed via education. Noting that there were 9 or 10 contracts awarded with values of £25k, Cllr. Evans requested assurance around this. Mr

Thomas assured Members that it was purely reflective of the estimated level and value of activity.

Returning to 'No PO, No Pay', Mr Weir recalled mention of up to £8m worth of invoices being on hold for a variety of reasons. He enquired regarding the current value of invoices on hold and whether these are being accounted for in terms of the financial forecast. Mr Thomas confirmed that, at any one time, there are a number of invoices on hold. Whilst on hold, these do not form part of the organisation's forecast expenditure; however, their value is accrued for, at the level the Health Board believes to be the case in terms of cost. Mr Weir enquired regarding the amount involved in the Just Wales invoices on hold due to breaches of the 'No PO, No Pay' policy. In response, Mr Thomas advised Members that this company provides storage and courier services. Whilst the former is not now utilised to the extent it was previously, Just Wales is a significant supplier of courier services to clinical areas. The Health Board is, therefore, working with them towards finding a solution for this issue.

Noting that overpayment of salaries is a recurrent topic, Mr Weir requested assurance around the steps being taken to address this matter. Members were reminded that the 'Employer Self-Service' function on the Electronic Staff Record (ESR) system allows managers to make broad changes to employee records. However, there is a 'human' element involved, which is more challenging to address. Mr Thomas reported that there is a dashboard, which provides details of the managers involved in instances of overpayments. It was agreed that this would be introduced into the internal TI escalation process.

**HT**

In response to an enquiry around whether the loss resulting from failure to submit paperwork will be charged to the relevant Directorate's budget, Mr Thomas confirmed that this would be the case. Mrs Marks was pleased to note that all of the contracts awarded had been subject to the relevant procurement processes and/or competitive tenders. Referencing section 2.5 and Project Bank Accounts (PBAs), Mrs Marks queried whether ARAC can take assurance when processes apparently preclude compliance with Welsh Government requirements in this regard. Mr Thomas reminded Members of the background to establishing PBAs, which was to ensure that main suppliers pay their sub-contractors in a timely fashion. Whilst this was commendable, PBAs have proved to be an overly complex solution to what is a relatively simple issue. Members were assured that the Health Board does adhere to the PBA principles; however, full compliance is challenging.

In considering the recommendations, Mr Thomas noted that – despite there being a request for ARAC to approve the losses and special payments – there is no remediation should they decline to do so. This makes the request somewhat moot. Mrs Marks suggested that perhaps losses and special payments should be viewed more in terms of an opportunity for learning.

**Decision:** The Committee:

- **APPROVED** losses exceeding £5,000
- **SCRUTINISED** the award of contracts
- **DISCUSSED** the staff overpayments and **TOOK ASSURANCE** that actions to control them are sufficiently embedded
- **NOTED** that actions are being taken to review and implement appropriate controls for accessing of healthcare services by non-residents of the Health Board
- **TOOK ASSURANCE** from the actions taken to reduce the instances of non-compliance with the No PO No Pay policy
- **TOOK ASSURANCE** from the controls in place to manage Single Tender Actions
- **TOOK ASSURANCE** that PSPP compliance remains on target for delivery for the year and that tax controls remain robust

**AC(24)180**

### **Counter Fraud Update**

Mr Ben Rees introduced the Counter Fraud Update report, reminding Members of Prevent and Deter work in relation to the Lease Car scheme and advising that all recommendations have now been implemented. The Audit Tracker has been updated to reflect this and it is pleasing to note that immediate actions have been undertaken to resolve the issues identified. Again in relation to Prevent and Deter, a national exercise is being conducted to examine procurement processes. A sample of requisitions associated with contracts and purchase orders has been analysed. A report will be produced for the next meeting, which will either be anonymised for consideration during the main meeting, or include details of contracts for consideration during the In-Committee session.

**Decision:** The Committee **RECEIVED** for information the Counter Fraud Update Report and appended items.

**AC(24)181**

### **Audit Tracker**

Miss Charlotte Wilmshurst introduced the Audit Tracker report, advising that this has been amended, as agreed at the previous meeting. Members heard that since the previous report, 25 new reports have been received by the Health Board, with 10 reports having been closed. This results in 611 open recommendations as at the end of August 2024. 242 of these are overdue; a slight increase from the previous report, with 121 overdue by more than six months, again a slight increase. The graph on page 6 illustrates the trend in the number of overdue recommendations. To put this into context, out of 1499 recommendations arising from 174 open reports, 840 have been completed, with 16% overdue. The reasons for reports without revised dates are outlined within the report. All reports and recommendations have now been

entered onto the AMaT system, with Directorates and services responsible for their monitoring. Oversight is via the internal escalation process, together with committee and ARAC scrutiny. Miss Wilmshurst provided an update on those Directorates in the highest level of escalation against the Governance domain. During the assessment process, the Corporate Services Directorate has itself identified areas for potential improvement.

Cllr. Evans recognised the work involved in this report and the processes behind it, and thanked the team for their efforts. In terms of de-escalation, Mr Davies enquired whether Directorates are supporting this process sufficiently. Members heard that Mr Thomas chairs the sessions which contribute to the escalation process. He reported that, whilst Director engagement was good, there is variability in responsiveness across Directorates and departments. Responsiveness has probably been stronger for Governance, Workforce and Quality than for Finance, Fragility and Performance. Members noted that there have been instances of Directorates setting themselves unrealistic completion dates. Mr Thomas suggested that lessons have generally been learnt regarding setting achievable recommendations and dates in terms of Audit Wales and Internal Audit reviews. There are issues, however, around 'Getting It Right First Time' (GIRFT) reviews, for example. Mrs Wilson felt that a number of these areas will remain escalated for some time. Cllr. Evans enquired whether the letter issued by ARAC regarding recommendations had had any effect; he was advised that it had in certain quarters.

In reference to concerns around the Mental Health and Women and Children's Directorates specifically, Mr Thomas felt that, due to their nature and other factors, these are inherently high risk and will probably always be so. It was suggested that there might be alternative approaches which could be applied to support these areas, outside the escalation process, for example via ARAC. The Committee considered whether there were other additional factors at play. Mrs Wilson emphasised that all Directorates are supported by a dedicated Member of the Assurance and Risk team. Mr Thomas highlighted that both of these Directorates are at the highest level of escalation in all areas, which is detailed in the Board report. It should also be recognised that these are amongst the larger Directorates. Miss Wilmshurst added that with regard to Mental Health, for example, one recommendation may involve 10 actions, which makes it challenging to close. It is closure of the recommendation upon which Welsh Government assess the Health Board.

Mrs Wilson remained concerned around the Facilities Directorate also, despite it having been reduced in escalation level. In regard to this, Mr Davies noted that a backlog maintenance is a significant issue and enquired whether this contributes, or whether assessment is based more on managing resources and governance processes. In response, Mrs Wilson advised that it is both. There need to be robust governance structures in place, as for all Directorates.

Whilst welcoming the report, Mr Imperato reiterated earlier comments around ARAC's role and ability to take assurance. Mrs Wilson agreed that there were similarities with the TI discussion, where the Committee may be able to take assurance on the process, whilst not on the implementation of recommendations and/or actions. Mr Davies agreed that the process needs to feed into the wider committee structure, with performance elements considered at SDODC and quality elements at QSEC, for example. In terms of ARAC escalating its concerns, Members heard that the last set of escalation sessions focused on Finance; Mr Thomas suggested that the next focus on Governance, which should provide some assurance in terms of Directorates' plans and actions. It was also agreed that Cllr. Evans, Mrs Wilson and Mr Thomas would meet to discuss an approach to ensure that ARAC can take assurance on delivery of the recommendations, in addition to the process.

HT

JW

**Decision:** The Committee **TOOK ASSURANCE** on the rolling programme to collate updates from services in order to report progress to the Committee, including the revised performance management arrangements.

The Committee agreed to **ASSURE** the Board in relation to the process for implementation of recommendations from audits and inspections, and the effectiveness of the internal escalation framework arrangements in relation to Governance.

The Committee agreed to **ADVISE** the Board in relation to the effectiveness of the internal escalation framework arrangements in respect of Governance, due to the concerns highlighted during its discussion.

AC(24)182

### **ARAC Workplan 2024/25**

The Committee received and noted the Audit Work Programme 2024/25, which would be updated in line with discussions and to align with Audit Wales and Internal Audit Plans.

AC(24)183

### **Any Other Business**

Mrs Marks noted that there are works close to the entrance of PPH, which are resulting in extremely long queues of traffic, particularly at busy times of the day. She expressed concern regarding the potential risks involved and suggested that this was a Health and Safety issue. Mrs Wilson understood that the Health Board Health and Safety Incident Group was aware of this; however, would check.

JW

AC(24)184

### **Date and Time of Next Meeting**

9.30am, 10 December 2024