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

Date and Time of Meeting:	1.00pm, 14th December 2021
Venue:	Boardroom, Corporate Offices, Ystwyth Building, St David's Park, Carmarthen and via MS Teams

Present:	Mr Paul Newman, Independent Member (Committee Chair) (VC) Mr Winston Weir, Independent Member (Committee Vice-Chair) (VC) Mr Maynard Davies, Independent Member (VC) Professor John Gammon, Independent Member (VC) Mrs Judith Hardisty, Vice-Chair, HDdUHB (VC)
In Attendance:	Ms Anne Beegan, Audit Wales (VC) Mr James Johns, Head of Internal Audit, NWSSP (VC) Ms Sophie Corbett, Deputy Head of Internal Audit, NWSSP (VC) Mrs Joanne Wilson, Board Secretary (VC) Mr Huw Thomas, Director of Finance (VC) Mrs Charlotte Beare, Head of Assurance & Risk (VC) Mr Ben Rees, Head of Local Counter Fraud Services (VC) (part) Mr Lee Davies, Director of Strategic Development & Operational Planning (VC) (part) Mr Paul Williams, Assistant Director of Strategic Planning & Development (VC) (part) Mrs Lisa Gostling, Director of Workforce & OD (VC) (part) Ms Alison Shakeshaft, Director Of Therapies & Health Science (VC) (part) Mr Lance Reed, Clinical Director of Therapies (VC) (part) Mr Anthony Tracey, Digital Director (VC) (part) Mr Martyn Lewis, Internal Audit, NWSSP (VC) Mr Eifion Jones, Internal Audit, NWSSP (VC) Ms Sian Harries, Internal Audit, NWSSP (VC) Ms Rachel Williams, Assurance & Risk Officer (observing) Ms Clare Moorcroft, Committee Services Officer (minutes)

Agenda Item	Item	
AC(21)209	**Introductions and Apologies for Absence**	
	Mr Paul Newman, Audit & Risk Assurance Committee (ARAC) Chair, welcomed everyone to the meeting. Apologies for absence were received from: • Mr Steve Moore, Chief Executive • Mr Simon Cookson, Director of Audit & Assurance, NWSSP	

AC(21)210	**Declaration of Interests**	
	No declarations of interest were made.	

AC(21)211	**Minutes of the Meeting held on 19th October 2021**	
	RESOLVED – that the minutes of the Audit & Risk Assurance Committee meeting held on 19th October 2021 be **APPROVED** as a correct record.	

AC(21)212	**Table of Actions**	
	An update was provided on the Table of Actions from the meeting held on 19th October 2021 and confirmation received that outstanding actions had been progressed. Mrs Joanne Wilson reported as follows: **AC(21)118** – as indicated, there is a delay in developing the digital solution; however, the Corporate Governance team continue to take steps to increase the number of declarations. **AC(21)156** – it has been suggested that the report from the Field Hospital Decommissioning lessons learned workshop be considered by ARAC; this will be presented to the February 2022 meeting. **AC(21)176** – Mr Lee Davies will be joining the meeting to address any queries arising from the information attached at Appendix 1. **AC(21)183** – a meeting to discuss this issue has been held and Ms Cathie Steele will be drawing together a response, including milestones identified. **AC(21)187** – the requested management response is attached at Appendix 2; however, it should be noted that this had not been shared with Internal Audit prior to the meeting. **AC(21)189** – the revised management response is attached at Appendix 3. In terms of matters arising: **AC(21)187** – referencing page 1 of Appendix 2, Mr Newman suggested that the explanation of the different arrangements across the three counties does not necessarily provide assurance that the same outcomes for patients are being achieved. Further clarification in this regard was requested. In addition, the management response to 3.8 on page 6 does not provide clarity around the actions taken, and further information was also requested in relation to this. It was agreed that Mrs Wilson would feed back these issues to Ms Jill Paterson and provide a further update at the February 2022 ARAC meeting. In view of the fact that Internal Audit had not previously seen this document, it was also suggested that Mr James Johns raise any queries deemed necessary with the authors. **AC(21)189** – noting both the management response and the various target dates for actions, Professor John Gammon emphasised the need to ensure cross-reference of such issues across committees. With regard to recruitment delays, for example, clarity is required over which committee will be monitoring progress against the targets outlined; ARAC or the People, Organisational Development & Culture Committee (PODCC). Mrs Wilson reminded Members that all actions will be added to the Audit Tracker and monitored via that route. It was agreed that the report could also be shared with PODCC and monitored via its Workplan, with Mrs Wilson to discuss this with the Lead Executive, Mrs Lisa Gostling.	**JW/JP** **JJ** **JW**

	It was agreed that completed actions would be removed from the Table of Actions.	

AC(21)213	**Matters Arising not on the Agenda**	
	There were no matters arising not on the agenda.	

AC(21)214	**All Wales NHS Audit Committee Chairs' Meeting Update**	
	Mr Newman presented the All Wales NHS Audit Committee Chairs' Meeting Update report, advising that this represents a summary of the items discussed.	
	The Committee **RECEIVED FOR INFORMATION** the All Wales NHS Audit Committee Chairs' Meeting Update report.	

AC(21)215	**Review of Capital Governance Arrangements – Management Response**	
	Mr Lee Davies and Mr Paul Williams joined the Committee meeting. Mr Lee Davies presented the Capital Governance Review – Management Response report, reminding Members that findings of the review had been presented to ARAC in October 2021, at which point a management response had been requested. Professor Gammon welcomed both the review report and the management response/proposed actions. The information provided in Appendix 1 to the Table of Actions was also very helpful. Whilst noting that the Action Plan includes target dates for completion, Professor Gammon queried how completion will be recorded, suggesting that there should be a further column to record progress. Mr Lee Davies agreed, committing to update the document accordingly; Mr Paul Williams suggested that, if ARAC is content with the action plan, assurance/monitoring would probably be most appropriately managed via the Capital, Estates and IM&T Sub-Committee and thence the Strategic, Development and Operational Delivery Committee (SDODC). Mr Maynard Davies, SDODC Chair, requested that an update appear on the agenda for SDODC's February 2022 meeting. Members were also advised that the action plan would be monitored via the Audit Tracker, although Mrs Wilson highlighted that there are certain areas which may prove difficult to track due to undefined target dates. Mr Williams explained that certain actions are ongoing, rather than a single resolution; Mrs Charlotte Beare suggested that it may be sensible to reword these actions to reflect this. It was agreed that Mrs Beare and Mr Williams would discuss this issue. Mr Newman concluded discussions by thanking Mr Lee Davies and his team for their constructive approach to this review and the positive work they have undertaken. *Mr Lee Davies and Mr Williams left the Committee meeting.*	**LD** **CB/ PW**
	The Committee **TOOK ASSURANCE** from the management response and action plan prepared.	

AC(21)216	**Annual Review of the Committee's Self-Assessment of Effectiveness - Six Month Review**	
	Mrs Wilson introduced the Annual Review of the Committee's Self-Assessment of Effectiveness - Six Month Review report. Members heard that this process is being conducted for all Board level committees, and reports progress on the comments/suggestions fed back during the Self-Assessment exercise. A number of items remain in progress; for example Mrs Wilson, as the UHB's Fraud Champion, will be meeting with Mr Ben Rees to discuss key objectives. Mrs Wilson and Mr Johns have met to discuss the issue of wider learning and sharing learning from audits across the organisation. It has been agreed that this will be judged on an individual audit basis. Whilst noting the feedback around rotating meeting venues, it was noted that this is not currently feasible with COVID-19 restrictions; furthermore, the priority will be recommencing patient safety visits over rotating committee meetings. This position will be reconsidered when conditions allow. Mr Newman welcomed this comprehensive summary of progress.	
	The Committee **TOOK ASSURANCE** that actions from the ARAC Self-Assessment 2020/21 are being progressed within the agreed timescales.	

AC(21)217	**Cost Advisor Review from Field Hospitals**	
	Mr Huw Thomas presented the Cost Advisor Review from Field Hospitals report, advising that this had been commissioned following the KPMG review into Field Hospital governance arrangements, which had recommended assurance be sought regarding costs. The UHB has worked and continues to work with Local Authority partners to seek resolution to queries; where issues remain outstanding, these are highlighted in the report. It was emphasised that these issues do not represent anything material from an accountancy perspective. Whilst recognising that certain of the queries outstanding represent smaller sums, Mrs Judith Hardisty noted that there are higher value queries, specifically relating to Pembrokeshire. Mrs Hardisty enquired whether there is a liability associated with these, or whether the issue is primarily around public perception. Furthermore, whether there is any 'lever' to ensure that outstanding queries are addressed by the County Councils. With regard to the latter, Mr Thomas suggested that the obligation is moral as opposed to contractual. Whilst the queries may not be material from an accountancy perspective, they do represent significant amounts from a loss perspective. The level of response has varied across the Local Authorities; Mr Thomas assured Members that he will continue to pursue answers to queries. There is a need for robust assurance and a satisfactory resolution, not least as there will be external scrutiny regarding decisions and costs in the near future. Mr Newman noted that Pembrokeshire County Council (PCC) has demonstrated the greatest lack of response. The query over £124,000 for materials in particular may not be material from an accountancy perspective; however, it is a significant amount from a public funding perspective and those involved need to justify these costs. It was suggested that the UHB should perhaps consider off-setting other PCC liabilities against this figure. At the least, the UHB should indicate its dissatisfaction with PCC's response, and record this in the ARAC	**PN/JW**

	Update Report to Board. Mr Thomas highlighted that PCC has recently recruited a new Chief Executive and requested further opportunity to work with them before this matter is escalated. Members were also reminded that the UHB and its Local Authority partners share a common set of external auditors. Mr Newman requested that an update on progress with queries be provided to the next meeting, via the Table of Actions.	**HT**
	The Committee **NOTED** the Cost Advisor Review from Field Hospitals report and **TOOK ASSURANCE** from the additional information supplied, that in the prevailing circumstances, costs to establish the Field Hospitals were justifiable and reasonable and **REQUESTED** a further update on responses to queries.	

AC(21)218	**Financial Assurance Report**	
	Mr Thomas introduced the Financial Assurance Report, advising that this is of the standard format, and highlighting in particular: **2.3.1 Overpayment of Salaries** – this issue continues to frustrate, with overpayments rising to their highest level yet, despite the actions put in place. Mr Thomas has requested a further review of the situation and a review of the Task and Finish Group. **2.4.2 Enhanced Rates Agreement** – this had been discussed on numerous occasions by the Gold Command Group, who had requested that the process applied be considered by ARAC for assurance. Referencing overpayment of salaries, Mrs Hardisty queried the reasons for delays and whether this is as a result of pressures in the system. Mr Thomas felt that it was probably due to current pressures on operational systems/managers. Steps are being taken to introduce an automated leavers process, which should be implemented before Quarter 4 2021/22 and which should improve the situation. Referencing STA HDD579, and whilst noting the justification provided, Mrs Hardisty was unsure why this contract had not gone out to tender. It may well still have been awarded to the provider involved; however, applying the tendering process in this case would have validated the justification. Mr Thomas was unable to recall the specifics of this STA and committed to check the details. Members were assured that the number of STAs has been significantly reduced and that more robust processes are being applied. Highlighting 2.2.1 Breaches of the No PO, No Pay Policy, Mr Maynard Davies requested further information regarding Just Wales Ltd and was informed that this is a courier company. In respect of the Losses and Special Payments, and the write-off of drugs stored at the incorrect temperature, Mr Davies requested assurance that actions have been taken to prevent a recurrence. Mr Thomas confirmed that there are lessons learned processes in cases such as this. Finally, Mr Davies enquired what measures other Health Boards are taking in regards to enhanced rates, and how effective HDdUHB's actions have been, recognising the difficulty in answering. Mr Thomas echoed that it was difficult to assess the difference enhanced rates had made, suggesting that an evaluation process may be required, which would report to PODCC. Mr Thomas would discuss this with Mrs Gostling.	**HT** **HT**

	Referencing Appendix 2, Competitive Tenders Awarded, and those relating to Outsourcing specifically, Mr Winston Weir observed that these are all for a period of 5 months and enquired whether this places the UHB in a stronger position. Mr Thomas suggested that there will be opportunities to renegotiate contracts and anticipated that the UHB will be in a position to make a long-term commitment, whilst emphasising that this is a supplier-constrained market. Payments are, however, only being made on the basis of activity undertaken. In response to a query regarding whether the narrative provided within the report 'draws a line' under the issues around enhanced rates, Mr Thomas explained that it is intended to provide clarity. The commitment to enhanced rates has been extended to January 2022; the UHB will need to consider at Gold Command Group in the first instance whether it is extended beyond this date. Mrs Wilson advised that a Gold Command Group meeting has been scheduled for 15th December 2021. It was confirmed that the outcome of discussions regarding enhanced rates would be clearly communicated to staff. Within the online chat, Mrs Wilson advised that the requested changes to the Scheme of Delegation would need to be ratified by the Public Board when this is next considered.	**HT**

	The Committee:
	• **DISCUSSED** and **NOTED** the report;
	• **APPROVED** the changes to the Scheme of Delegation;
	• **APPROVED** the write-off of Losses and Special Payments over £5k;
	• **TOOK ASSURANCE** from the process followed in:
	  ○ the implementation of locally agreed enhanced rates; and
	  ○ the change to nationally agreed enhanced rates.	

AC(21)219	**Audit Wales Update Report**	
	Ms Anne Beegan provided an update on Audit Wales' work, highlighting in particular the completed accounts audit work and timetable for financial audit planning detailed on page 4 of the report. Turning to page 5, Members noted that the updated management response for the Quality Governance review is awaited. Progress in relation to Structured Assessment, a key piece of governance work, is outlined on page 6. This will be presented directly to the Board in January 2022, together with the Annual Audit Report. In terms of the Review of Operational Governance Arrangements, it has been agreed that work will be undertaken with Directorates around operational delivery. Page 8 of the report mentions the national 'Taking Care of the Carers?' report, which is presented later on the agenda. It was requested that the Mental Health & Learning Disabilities Directorate is considered a priority in terms of the Operational Governance reviews.	**AB**
	The Committee **NOTED** the Audit Wales Update.	

AC(21)220	**Phase 1 Structured Assessment - Operational Planning (Update)**	
	Mr Lee Davies re-joined the Committee meeting. Mr Lee Davies presented the Phase 1 Structured Assessment - Operational Planning (Update) report, reminding Members of the review undertaken by Audit Wales earlier in the year. The report represents an update on actions within the management response. The review's	

	findings had been positive overall, with four recommendations relating to alignment of plans; planning capacity; performance tracking; and monitoring and reporting. In summary, Members heard that there have been significant endeavours by the Planning team. Recommendations 3 and 4 are both complete. The issue of planning capacity is not yet fully resolved, although temporary resources have been put in place; Mr Lee Davies recognised the need for a more sustainable long-term solution. Ms Beegan reminded Members that this is the first phase of the Structured Assessment 2021 and that Audit Wales recognised the positive progress made against their recommendations. Mr Maynard Davies congratulated the Planning team on their progress, and queried the anticipated interest in terms of recruitment when expanding capacity. In response, Mr Lee Davies explained that there is a relatively small field. Whilst confident in recruiting small numbers, it may be challenging to appoint more. It was suggested that the consultancy market might be considered, in order to achieve a short-term increase in capacity. Whilst acknowledging this as a possibility, Mr Lee Davies indicated that he would not be inclined to explore it this financial year. It might be considered as an option at the stage of Outline Business Case preparation. Mrs Wilson reminded Members that – depending on the level of spend – this would need to be approved by the Board. *Mr Lee Davies left the Committee meeting.*	
	The Committee **CONSIDERED** and **TOOK ASSURANCE** from progress made in respect of the recommendations from the Audit Wales Structured Assessment 2021: Phase 1 Operational Planning Arrangements – Hywel Dda University Health Board report, published June 2021.	

AC(21)221	**Phase 2 Structured Assessment - Corporate Governance and Financial Management**	
	DEFERRED to 22nd February 2022 meeting.	

AC(21)222	**Orthopaedic Services Follow-up**	
	DEFERRED to 22nd February 2022 meeting.	

AC(21)223	**Review of the Sustainable Use of RTT Monies**	
	DEFERRED to 22nd February 2022 meeting.	

AC(21)224	**Taking Care of the Carers? How NHS Bodies Supported Staff Wellbeing during the COVID-19 Pandemic**	
	Mrs Lisa Gostling joined the Committee meeting. Ms Beegan introduced the Taking Care of the Carers? How NHS Bodies Supported Staff Wellbeing during the COVID-19 Pandemic report, explaining that this is a high-level review. It is the second COVID-19 related Audit Wales output, this time focusing on the importance of staff wellbeing and emphasising that there is still much to be done in addressing this. A checklist tool has been prepared for use within organisations. Staff wellbeing has also been considered during the Structured Assessment exercise and a positive impression of	

	HDdUHB's work in this area noted. Mrs Gostling advised Members that an action plan to address the findings of the report had been developed. There were a couple of dates omitted from this, which would be rectified. HDdUHB has taken various actions to enhance its staff wellbeing services, including the introduction of a bilingual helpline, and the organisation is considering how best to scale its plans. The next step in the process will be how the organisation supports staff to deal with trauma relating to the COVID-19 pandemic. Professor Gammon welcomed the constructive report, noting that it serves to supplement a number of the reports considered by PODCC at its meeting on 13th December 2021. It also provides a useful benchmark as an organisation. Professor Gammon wished to reassure ARAC that PODCC is assured by the processes in place, whilst accepting that there needs to be continued and ongoing development. The UHB is moving in the correct direction, both in terms of plans and the monitoring of these. Referencing Recommendation 4 specifically, and the requirement to work with other Health Boards, it was noted that the management response is fairly generic. Professor Gammon enquired whether consideration is being given by Directors of Workforce & OD to meetings or initiatives around collaborative/regional approaches to staff wellbeing; or, if not, whether these might be developed. Mrs Gostling confirmed that, only in the last few weeks, this issue has been discussed on an All Wales basis. Information is being submitted by Health Boards to NHS Wales, with the intention of sharing learning and good practice. Discussions are taking place between HDdUHB and Swansea Bay UHB around what might be implemented collectively. The Innovation Hub is also facilitating conversations with Local Authority partners. Mr Davies enquired whether progress against Recommendations 1 and 5, around targets for Occupational Health and Key Performance Indicators, would be monitored by PODCC. In response, Mrs Gostling advised that the organisation is beginning to develop a Workforce Dashboard. It has been agreed that the finalised set of workforce metrics will be presented to the February 2022 meeting of PODCC. Mrs Hardisty recalled that, to improve accessibility, a single point of contact for staff wellbeing had been mooted. With regard to the helpline, Mrs Hardisty enquired whether consideration has been given to those working in the community. Members heard that the helpline provides 24/7 access to telephone and online wellbeing resources, and provision of initial counselling should it be required. Counselling services are also available via each of the three counties; the UHB also offers Occupational Health services, and has 100 Wellbeing Champions. Mrs Gostling confirmed that access to all of these services will be brought together under one point of contact, which is intended to ensure that the appropriate support is provided to staff. Mrs Hardisty welcomed this, adding that – based on discussions with other Health Board Vice-Chairs – she was of the opinion that HDdUHB staff are the best served in terms of staff wellbeing. Ms Beegan confirmed that the review had identified positive findings within HDdUHB, and that the report will allow Health Boards to compare and contrast services. Mr Newman welcomed Audit Wales' recognition of staff wellbeing as a matter of importance. Focusing on exit interviews, Mr Newman enquired whether	**LG**

	there are any common themes arising from these. Mrs Gostling advised that, whilst exit interviews have not formed part of the general metrics, the organisation does analyse data on leavers and reasons for leaving. The UHB will also be engaging with people who are considering leaving to establish the reason for this and whether they can be persuaded to stay. Within the online chat, various Members congratulated Mrs Gostling and her team and Mr Newman thanked them for their continued efforts in this area. *Mrs Gostling left the Committee meeting.*	
	The Committee **NOTED** the Taking Care of the Carers? How NHS Bodies Supported Staff Wellbeing during the COVID-19 Pandemic report and management response.	

AC(21)225	**Internal Audit Plan Progress Report**	
	Mr James Johns presented the Internal Audit (IA) Plan Progress report, highlighting the audits finalised since the previous meeting, one with a Limited Assurance rating. In terms of ongoing planning and delivery, a considerable amount of audit work is in progress, although there have been a number of delays, primarily due to pressures on services. Further details are set out in Section 3 of the report. Internal Audit has been undertaking planning discussions with UHB representatives since the report was prepared. These have included conversations around additional audits potentially required. Paragraph 3.3 outlines potential adjustments to the Internal Audit Plan requested/required. Whilst appreciating the reasons for delays, Mr Newman emphasised that this will result in time pressures in future meetings and agendas. The depth of discussion required is also unknown, as it is determined by the assurance rating. It may be necessary to consider introducing an additional meeting, or adding Internal Audit reports to the May 2022 meeting agenda. Mrs Wilson advised that there have been discussions during Executive Team meetings which indicate that more audits may need to be deferred or delayed. It is not possible at this stage to confirm further details, as there are too many 'unknowns' in relation to the COVID-19 response. Members were assured that Mrs Wilson and Mr Johns meet on a weekly basis to discuss progress against the Internal Audit Plan.	
	The Committee **NOTED** progress with delivery of the plan for the current year, the required adjustments to the plan and the assurance available from the finalised Internal Audit reports.	

AC(21)226	**Deployment of Welsh Patient Administration System (WPAS) into Mental Health & Learning Disabilities (MHLD) (Limited Assurance)**	
	Mr Anthony Tracey joined the Committee meeting. Mr Martyn Lewis introduced the Deployment of WPAS into MHLD report, indicating that this audit had been requested by the UHB, having been identified as a potential area of weakness. To provide context, the previous MHLD Patient Administration System had reached its 'end of life' and become fragile; the decision had been made to transfer to WPAS. The audit had identified slippage in implementation for various reasons, together with a number of other issues including: lack of an internal business case; failure to update the Project Initiation Document	

(PID); risks not subjected to continued monitoring and review; incomplete gap analysis; project group not meeting regularly. These had been compounded by insufficient resource allocation and a failure to conduct a formal post-implementation review. All of the audit findings and recommendations have been accepted, and it should be noted that WPAS is now operational within the MHLD Directorate.

Mr Thomas thanked Internal Audit for their report, which highlights a number of important concerns. Members heard that there had been challenging discussions around the assurance rating, with No Assurance having been considered. Mr Thomas welcomed the context provided, adding that historically, the PAS in MHLD had largely been supported 'in-house'. This arrangement has now transitioned to the UHB's Digital team. Rolling out WPAS within MHLD had been extremely challenging, particularly as clinical pathways within Mental Health are not necessarily as clearly defined as elsewhere. Historical issues had also impacted, together with the COVID-19 pandemic. It should be noted, however, that HDdUHB is the only organisation in Wales with an integrated Patient Administration System across MHLD. Mr Thomas drew Members' attention to the timescales for implementation of actions, which are all relatively short; stating that he and Mr Anthony Tracey are keen to address these as quickly as possible, aside from those which are outside the UHB's control. In summary, Mr Thomas described the audit as having been both challenging and constructive.

Mrs Hardisty expressed concern that the Directorate is not represented at today's meeting. Mr Thomas apologised for standing MHLD colleagues down from attending the meeting, whilst assuring Members that the MHLD Directorate is fully signed-up to WPAS implementation; adding that a follow-up audit will be conducted towards the end of 2021/22 and committing to ensure the Directorate are represented when this is considered by ARAC. Mrs Hardisty advised that this has been an issue she has been raising since her appointment as Vice-Chair, having been aware that data was being collated manually due to the lack of a suitable reporting system. In view of this, it was suggested that the findings of the audit might have been even worse, although there are obviously still causes for concern. Whilst not wishing to imply any criticism of individuals, Mrs Hardisty requested assurance regarding whether the Project Managers have the required skills and experience. Mr Thomas acknowledged these comments, and that further work is required, whilst reiterating that WPAS is operational within MHLD. The UHB will need to ensure that the Digital team provide the requisite support to roll out the system fully. Mr Thomas was hopeful that ARAC will be presented with additional assurance when the follow-up audit is completed. Mr Anthony Tracey agreed that this issue has been without resolution for too long. Implementation had been difficult, exacerbated by a lack of understanding within the service regarding the workings of WPAS. Members heard that Mr Tracey has met with Ms Liz Carroll and other representatives from the MHLD Directorate, including the Project Managers. A Delivery Manager has recently been appointed who has previously worked in Scheduled Care and who therefore has a detailed understanding of WPAS. A gap analysis will be undertaken, and the Digital team is looking to appoint dedicated resource to support the

Project Managers. Mr Tracey and Ms Carroll will be joint SROs, Terms of Reference for the Project Groups have been agreed, and weekly and monthly meetings are taking place. Mr Tracey hoped that this information provided Members with additional assurance and was confident that, as more services are added to WPAS, its implementation will become more smooth. Mr Weir expressed concern around the lack of ownership identified in the report, together with deficiencies in regards to post-implementation reviews. The move to working from home since the advent of COVID-19 was also highlighted, in terms of whether this impacted on WPAS implementation and caused engagement issues. Mr Weir emphasised the need for the MHLD Directorate to signal a commitment to WPAS. Mr Tracey acknowledged that the increase in working from home could have impacted; however advised that the majority (80-90%) of administrative staff had received training in WPAS before the instruction to work from home. Further training will also be undertaken. In terms of the roll out of WPAS, all MHLD Inpatient services and a number of Outpatient services have been migrated, with others still to be migrated. Mr Tracey emphasised that MHLD already have a clinical patient administration system with which they are familiar; WPAS is used for statistical reporting. A significant amount of work has already been completed, although further work is required around putting processes in place. Whilst the ownership of implementation sits within the Digital team, the Directorate/service forms a key part. Within the online chat, Professor Gammon also expressed concern regarding progress on the delivery of Recommendation 1.1 specifically, and whether governance structures are in place to ensure this. Mrs Wilson confirmed that MHLD are fully signed-up to the roll-out of WPAS, advising that a meeting involving various colleagues had taken place to discuss the report and management response in detail.

Based on the findings of the audit, Mr Newman raised serious concerns regarding how it had been awarded even a Limited Assurance rating. Examples included Objectives 4 and 5, which had concluded Limited Assurance, despite identifying that a training plan and user training were not in place and that lessons learned were not recorded. Whilst appreciating that steps are being taken to rectify these issues, it did not seem appropriate to take this into account when processes were not in place at the point of audit. Mr Johns confirmed that the assurance rating had been discussed with UHB management. The view was taken that WPAS had been implemented and that this should be accorded some weighting, along with the audit's other findings. Mr Johns did accept these comments, however, and agreed that a rating of No Assurance could have been awarded. With regard to training, Mr Lewis advised that some training had been provided to staff. In terms of the lessons learned/post-implementation review, whilst this may not have been a formal process, there had been consideration of issues/difficulties. Mr Lewis also reminded Members that this audit had been at the request of the UHB, which should offer some assurance. Mrs Wilson and Mr Thomas confirmed that there had been a lengthy, challenging and detailed debate regarding the assurance rating for this report. As indicated above, but for the fact that there is an operational WPAS in MHLD, the rating would have been No Assurance. Mr Thomas accepted that the system roll-out had not been conducted in the way he

	would have wanted, and assured Members that he did not regard a Limited Assurance rating as any more satisfactory than No Assurance. Mr Newman requested a number of actions: • That the Internal Audit team reflect on the Committee's comments and reconsider the assurance rating awarded; • That a further update be presented to the next meeting, to include confirmation that those actions within the management response due for completion by December 2021 have been completed; • That a representative from the MHLD Directorate be invited to attend the next meeting for discussion of the above item; • That the management response to Recommendation 1.1 should comprise a list of all intended actions, as opposed to examples; • That the contents of the report and the Committee's concerns be highlighted within the ARAC Update Report to Board. *Mr Tracey left the Committee meeting.*	**JJ** **HT** **CM** **HT** **PN/JW**
	The Committee **NOTED** the Deployment of WPAS into MHLD (Limited Assurance) report and **REQUESTED** a further update.	

AC(21)227	**Therapies Directorate Governance Review (Reasonable Assurance)**	
	Ms Alison Shakeshaft and Mr Lance Reed joined the Committee meeting. Ms Sophie Corbett introduced the Therapies Directorate Governance Review report, advising that one high priority matter had been identified, relating to the management of incidents, whilst recognising that these are being discussed at the Directorate Quality, Safety, Experience & Risk (QSER) Group. Two medium priority matters were also highlighted, with an overall assurance rating of Reasonable Assurance awarded. Mr Lance Reed welcomed the report, recognising the issues raised. Whilst recognising the context of the report, Mr Weir enquired whether the Directorate are adequately assured that the required processes are in place and delivering on track. In response, Mr Reed advised that processes are in place for twice weekly meetings with Heads of Service. These provide a forum for consideration of both governance and operational challenges, such as redeployment of staff to support the COVID-19 vaccination programme. The issue identified by the audit relates to a failure to provide an action log in relation to these meetings, which has resulted from a lack of supporting infrastructure. Members were assured that this shortfall has been addressed by bringing in an individual to support the governance infrastructure and allocating additional time for administrative support. Whilst acknowledging the relevant management responses, Professor Gammon expressed surprise regarding certain of the report findings, such as those around governance infrastructure, incident reporting and monitoring and reporting arrangements for workforce. With regard to the latter, Professor Gammon noted statements in the management response regarding the dedicated workforce meeting and queried whether this was newly constituted, or whether it had previously been dysfunctional.	

	Also, how it relates to PODCC. Ms Alison Shakeshaft stated that she was personally assured that all areas identified in the report (workforce, finance and performance) were being monitored and that Mr Reed is conducting regular one-to-ones with Heads of Service and joint senior management team meetings. The issue – which is acknowledged and requires rectifying – is with the formal recording/minuting of these discussions. Professor Gammon welcomed this clarification, enquiring whether the issue is the same around incident/risk reporting, and was informed that this was the case. Whilst noting the assurance provided, Mr Weir highlighted that if Ms Shakeshaft and/or Mr Reed were indisposed, it would be challenging for someone to take over without appropriate documentation/records. Within the online chat, this was acknowledged by Ms Shakeshaft, who advised that steps are being taken to address this issue. Mr Reed assured Members that discussions around these matters are taking place and that relevant staff, including Workforce, Governance, Risk and Finance team colleagues, are co-opted into discussions as necessary. Meetings are deliberately kept 'fluid' to respond to current issues. As indicated, the issue has been an inability to provide documentary evidence of these discussions. Ms Shakeshaft conceded that COVID-19 had created additional challenges, reminding Members that prior to the pandemic there had been Chief Executive Holding to Account meetings, which had necessitated the preparation of information packs including workforce data. An absence of such meetings and the need for formal data has probably contributed to the issue. This is not intended as a criticism of changes since COVID-19, it simply reflects the current situation. Members were assured, however, that the Directorate is working on a Dashboard, which will be key in the future. Mrs Wilson advised that the audit recommendations will be added to the Audit Tracker and monitored via that mechanism, and that an update will be conducted prior to year-end to ensure that the recommendations have been embedded. Mr Newman welcomed the shared learning demonstrated by the various Directorate Governance Reviews. *Ms Shakeshaft and Mr Reed left the Committee meeting.*	
	The Committee **NOTED** the Therapies Directorate Governance Review (Reasonable Assurance) report.	

AC(21)228	**Financial Planning, Monitoring and Reporting (Reasonable Assurance)**	
	Ms Corbett introduced the Financial Planning, Monitoring and Reporting report, which had identified 3 medium priority recommendations, with an overall rating of Reasonable Assurance awarded. Mr Thomas thanked the Internal Audit team, whilst expressing some disappointment with the findings and recognising that oversight arrangements have fallen short on this occasion. With regard to the first finding, around Accountability Agreement letters, it is clear that these have not been followed up and Mr Thomas committed to ensure this is addressed. Learning is required with regard to the second finding in relation to Qlikview and the BI Dashboard, as it is vital to ensure that the organisation uses these tools for budget monitoring. The third finding, around virements, is also of	

	concern. Mr Thomas recognised that actions need to be put in place to address all three matters and assured Members that these issues will be rectified. With regard to Matter Arising 1, Mr Newman noted that this was not the first instance of concerns relating to the Accountability Agreement letters. Mr Thomas acknowledged this, whilst emphasising that the issue in this case related to a failure to follow up non-receipt of returns. Emphasising that the UHB has been subject to exceptional circumstances and pressures, Mr Winston Weir felt that it should not necessarily be surprised by such findings. Referencing Matter Arising 2, Mr Weir enquired how budget holders will be encouraged to use the information available via Qlikview and the BI Dashboard. In response, Mr Thomas explained that it had been a priority to provide information in an accessible way. A suite of dashboards has been put in place via PowerBI and Mr Thomas was disappointed that these were not being accessed more widely. Mr Newman enquired whether the low rates of access were as a result of lack of training or lack of awareness regarding these tools. Mr Thomas felt that there was a third possibility; that individuals are under pressure due to the COVID-19 pandemic and are not viewing accessing the dashboards as a priority. The priority is to ensure that the information/data available is of the highest quality possible and that it is accessible. Mr Newman was hopeful that, as pressures from COVID-19 reduce, access rates will increase, adding that tools such as this are intended to assist managers, and make their roles easier. It was suggested that consideration be given to how managers access corporate information, and any potential cultural issues which may impact on this. Following a discussion regarding where these matters are best monitored, it was agreed that (in addition to the Audit Tracker) the Internal Audit report would be shared with the Sustainable Resources Committee and followed up there.	**HT**
	The Committee **NOTED** the Financial Planning, Monitoring and Reporting (Reasonable Assurance) report.	

AC(21)229	**IT Back-Up Arrangements (Substantial Assurance)**	
	Mr Tracey re-joined the Committee meeting. Mr Lewis introduced the IT Back-Up Arrangements report, explaining that Internal Audit had been requested to evaluate whether processes were in place for the routine backup of systems or critical data and for the recovery of these items after an interruption of processing. Members heard that the UHB's back-up solution had recently been replaced. The audit had identified numerous examples of good practice, modern processes and secure and safe procedures resulting in an overall rating of Substantial Assurance. Mr Tracey welcomed the report, reminding Members that this has been an area of concern for a number of years. The Digital team has worked extremely hard during the last 18/24 months and the findings of the audit are a credit to their tenacity. Mr Thomas thanked Mr Tracey for his leadership in this area, which has been vital and agreed that the team has delivered an outstanding amount in the last two years. Commending the findings and recognising their significance, Mr Davies congratulated the team. Whilst these provide assurance regarding the	

	UHB's local systems, however, it was noted that the organisation relies heavily on national IT systems. Mr Davies enquired whether there are equivalent audits of nationally-hosted systems taking place, for example those hosted by NHS Wales Shared Services Partnership (NWSSP) and Digital Health and Care Wales (DHCW). Mr Tracey was not aware of any such audit work, noting that a great deal of the national IT infrastructure is being moved to the new data centre. Mr Lewis advised that, whilst there are no specific audits relating to back-up arrangements, this is considered during audits of individual IT systems. The data centre mentioned by Mr Tracey is subject to robust back-up processes. Within the online chat, various Members congratulated Mr Tracey and his team on resolving this long-standing issue. *Mr Tracey left the Committee meeting.*	
	The Committee **NOTED** the IT Back Up Arrangements (Substantial Assurance) report.	

AC(21)230	**Workforce Planning**	
	DEFERRED to 22nd February 2022 meeting.	

AC(21)231	**Non-clinical Temporary Staff/Agency Spend**	
	DEFERRED to 22nd February 2022 meeting.	

AC(21)232	**TriTech**	
	DEFERRED to 22nd February 2022 meeting.	

AC(21)233	**Quality & Safety Governance Framework**	
	DEFERRED to 22nd February 2022 meeting.	

AC(21)234	**Corporate Governance**	
	DEFERRED to April 2022 meeting.	

AC(21)235	**Performance Reporting and Monitoring**	
	DEFERRED to 22nd February 2022 meeting.	

AC(21)236	**Commissioning**	
	DEFERRED to 22nd February 2022 meeting.	

AC(21)237	**Records Management**	
	DEFERRED to 22nd February 2022 meeting.	

AC(21)238	**Audit Tracker**	
	Mrs Beare presented the Audit Tracker report, drawing Members' attention to the recently-introduced Healthcare Inspectorate Wales (HIW) service of concern process, which is both linked to within the report and included in the For Information section later on the agenda. One of the key issues is around timeliness of implementation of recommendations, and whether these are implemented to a sufficient standard. The UHB will be taking this forward with services. Members heard that since the previous report, 15 reports have been closed or superseded, with 13 new reports received by the UHB. As at 22nd	

	November 2021, there are 93 reports currently open. 39 of these reports have recommendations that have exceeded their original completion date, which has decreased from the 49 reports previously reported in October 2021. There is an increase in recommendations where the original implementation date has passed from 86 to 101. The number of recommendations that have gone beyond six months of their original completion date has slightly reduced from 44 to 41 as reported in October 2021. A service performance element has been introduced to the report, similar in format to the Integrated Performance Assurance Report (IPAR) presented to Board. Improvements are evident in Finance, Digital, Mental Health and Pathology; a focus on Mental Health is being maintained. Areas of concern include Radiology and Central Operations, with various meetings having taken place or planned, which are beginning to result in progress. As a result of staff changes within the Risk team, it has been determined that updates will be on a quarterly rather than bi-monthly basis. Mr Newman enquired whether the level of engagement from services remains good. Mrs Beare confirmed that this was the case, whilst recognising that the next few months are likely to be extremely challenging for services. It was agreed that ARAC will seek to maintain a 'watching brief' over this area and that there is no clear rationale for requiring attendance by any service currently.	
	The Committee **TOOK ASSURANCE** on the rolling programme to collate updates from services on a bi-monthly basis in order to report progress.	

AC(21)239	**Planning Objectives Update**	
	Mrs Wilson introduced the Planning Objectives Update report, reminding Members that three Planning Objectives have been assigned to ARAC, as follows: • 3B *Delivering Regulatory Requirements* • 3F *Board Assurance Framework* • 3H *Planning Objective Delivery Learning* Mrs Wilson advised that she has written formally to the Chief Executive and Director of Strategic Development & Operational Planning to request that Planning Objective 3B is reconsidered/closed, on the basis that this represents 'business as usual'.	
	The Committee **TOOK ASSURANCE** on the current position in regards to progress on the Planning Objectives aligned to ARAC, in order to onwardly assure the Board where Planning Objectives are progressing and are on target, and to raise any concerns where Planning Objectives are identified as behind in their status and/or not achieving against their key deliverables.	

AC(21)240	**Counter Fraud Update**	
	Mr Ben Rees joined the Committee meeting. Mr Ben Rees presented the Counter Fraud Update report, drawing Members' attention to activities undertaken during the recent Fraud Awareness Week. With regard to the annual review of requisitions	

	associated with the Estates Directorate, Mr Rees highlighted the recommendation regarding a Fraud Risk Assessment, which he will be taking forward with the Directorate. A national assurance exercise linked to Fraud Prevention Notices is being conducted, the results of which are awaited. In terms of Prevent & Deter, further work is being undertaken in respect of overpayments of salaries in an attempt to address the underlying causes. Following comments at the previous ARAC meeting, the allocation of work to Strategic Governance has been reviewed and from Q4 onwards, work associated with Fraud Risks will be allocated to this area. Noting the recommendation within Appendix 2 (Requisitions Review) Mr Newman enquired whether there is any specific intelligence to support a Fraud Risk Assessment for requisitions below £5,000. Mr Rees suggested that it will provide the UHB with assurance regarding use of the formal processes.	
	The Committee **RECEIVED** for information the Counter Fraud Update Report and appended items.	

AC(21)241	**National Internal Audit Reports**	
	The Committee received National Internal Audit Reports on the following topics: Control of Contractors; Fire Safety; Water Management and Quality Assurance & Improvement Programme 2020/21. Mr Newman enquired how the recommendations from these are taken forward, and Mrs Wilson advised that they are discussed by the Board Secretaries' Group, with examples of good practice shared across Health Boards. Best practice reports are also shared with the relevant Executive Lead and Lead Head of Service, to facilitate learning where possible.	
	The Committee **NOTED** the Control of Contractors, Fire Safety, Water Management and Quality Assurance & Improvement Programme 2020/21 National Internal Audit Reports.	

AC(21)242	**Audit Wales Reports**	
	Ms Beegan advised that the following Audit Wales reports had been included on the agenda at Mr Thomas' request: NWSSP Management Letter 2020-21; Nationally Hosted NHS IT Systems NWSSP Report. Following on from his earlier query, Mr Davies enquired whether Audit Wales undertake audits on nationally-hosted IT systems. Ms Beegan indicated that this was not undertaken routinely, only when identified as a risk-based workstream. It may be appropriate to consider this as part of the Annual Audit Plan for 2022/23. Mr Davies suggested that a focus on the new data centres might be apt. Mr Thomas reminded Members of his previous concerns regarding the management of audit findings relating to national organisations and how assurance can be taken from these. It was suggested that this issue may need to be raised via other fora, such as the national Directors of Finance Group, Board Secretaries' Group or All Wales Audit Chairs' Group. Mr Davies added to these the Digital IMs Group.	**AB** **PN** **MD**
	The Committee **NOTED** the Audit Wales NWSSP Management Letter 2020-21 and Nationally Hosted NHS IT Systems NWSSP Report.	

AC(21)243	**WHSSC Joint Committee/CTMUHB Audit & Risk Committee Assurance Report**	
	Mrs Wilson explained that this had been included on the agenda in order to inform Members of discussions at this forum.	
	The Committee **NOTED** the WHSSC Joint Committee/CTMUHB Audit & Risk Committee Assurance Report.	

AC(21)244	**HIW Update regarding Approach to Quality Checks and On-site Inspections**	
	The Committee **NOTED** the HIW Update regarding Approach to Quality Checks and On-site Inspections.	

AC(21)245	**Audit & Risk Assurance Committee Work Programme 2021/22**	
	The Committee **NOTED** the ARAC Work Programme.	

AC(21)246	**Any Other Business**	
	There was no other business reported.	

AC(21)247	**Reflective Summary of the Meeting**	
	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: • The request for further clarification in regards to two aspects of the Discharge Processes management response; • The decision to share the Medical Staff Recruitment Internal Audit report with PODCC for ongoing monitoring and review; • Receipt of the Capital Governance Review management response, recognition that the recommendations from this are being monitored and reviewed at SDODC and the request that an update be included on the February 2022 SDODC agenda; • Receipt of an update on progress regarding the ARAC Self-Assessment of Effectiveness exercise; • Receipt of and discussions around a Cost Advisor Review from the Field Hospitals and the intention to seek a satisfactory resolution to outstanding queries. Queried costs are not material from an accountancy perspective but are significant; • Lack of clarity regarding whether the enhanced pay rates have made a difference in attracting staff; • A request that Audit Wales include a focus on MHLD in their Operational Governance reviews • Recognition of positive progress with Structured Assessment; • Receipt of the Audit Wales Taking Care of the Carers? Report and recognition of the work undertaken by HDdUHB in terms of staff wellbeing, which is also reflected in the Structured Assessment findings; • Approval of adjustments to the Internal Audit Plan; • Detailed discussion of the Deployment of WPAS into MHLD Internal Audit Report and request that various actions be undertaken by the next meeting;	

	• Receipt and discussion of a Therapies Directorate Governance Review Internal Audit Report, offering implied assurance; follow-up to be conducted at year-end; • Receipt and discussion of a Financial Planning, Monitoring and Reporting Internal Audit Report, to be followed-up at SRC; • Receipt and discussion of a IT Back-Up Arrangements Internal Audit Report, which received a Substantial Assurance rating.	

AC(21)248	**Date and Time of Next Meeting**	
	9.30am, 22nd February 2022.	