

**COFNODION Y CYFARFOD PWYLLGOR ARCHWILIO A SICRWYDD RISG
CYMERADWYO**

APPROVED MINUTES OF THE AUDIT AND RISK ASSURANCE COMMITTEE MEETING

Date and Time of Meeting:	9.30am, 20 th April 2021
Venue:	Boardroom, Corporate Offices, Ystwyth Building, St David's Park, Carmarthen

Present:	Mr Paul Newman, Independent Member (Committee Chair) (VC) Mr Winston Weir, Independent Member (Committee Vice-Chair) (VC) Mr Owen Burt, Independent Member (VC) Mr Maynard Davies, Independent Member (VC) Mrs Judith Hardisty, Vice-Chair, HDdUHB (VC)
In Attendance:	Ms Anne Beegan, Audit Wales (VC) Ms Lucy Evans, Audit Wales (VC) (part) Mr James Johns, Head of Internal Audit, NWSSP (VC) Mr Eifion Jones, Internal Audit, NWSSP (VC) Mrs Joanne Wilson, Board Secretary (VC) Mr Huw Thomas, Director of Finance (VC) Mrs Charlotte Beare, Head of Assurance and Risk (VC) (part) Mr Ben Rees, Head of Local Counter Fraud Services (part) Mrs Mandy Rayani, Director of Nursing, Quality & Patient Experience (part) Mr Ian Bebb, Clinical Audit Manager (VC) (part) Ms Alison Shakeshaft, Director of Therapies & Health Science (VC) (part) Mrs Ros Jervis, Director of Public Health (VC) (part) Mrs Louise O'Connor, Assistant Director of Nursing (VC) (part) Mr Andrew Carruthers, Director of Operations (VC) (part) Mr Rob Elliott, Director of Estates, Facilities & Capital Management (VC) (part) Ms Clare Moorcroft, Committee Services Officer (minutes)

Agenda Item	Item	
AC(21)40	Introductions and Apologies for Absence Mr Paul Newman, Audit & Risk Assurance Committee (ARAC) Chair, welcomed everyone to the meeting, particularly Mr Winston Weir, who was attending his first meeting. Apologies for absence were received from: <ul style="list-style-type: none"> • Professor John Gammon, Independent Member • Cllr. Gareth John, Independent Member • Ms Clare James, Audit Wales • Mr Simon Cookson, Internal Audit, NWSSP 	
AC(21)41	Declaration of Interests No declarations of interest were made.	
AC(21)42	Minutes of the Meeting held on 23rd February 2021 RESOLVED – that the minutes of the Audit & Risk Assurance Committee meeting held on 23 rd February 2021 be APPROVED as a correct record.	

AC(21)43	<p>Table of Actions</p> <p>An update was provided on the Table of Actions from the meeting held on 23rd February 2021 and confirmation received that outstanding actions had been progressed. In terms of matters arising:</p> <p>AC(20)175 – Mrs Joanne Wilson advised that the planned agenda item on the UHB’s Escalation Status had been deferred, as there has been no further update from Welsh Government to report.</p> <p>AC(20)186 – Members noted that the Director of Operations will be reviewing operational structures at a later date.</p> <p>AC(21)06 – Mr Maynard Davies highlighted that In-Committee papers are not available on the HDdUHB website. Members were advised that access to these can be provided if required.</p> <p>AC(21)25 – there was debate around whether the Post Project Evaluations had been discussed at the Capital Estates and IM&T Sub-Committee; this would be clarified.</p> <p>AC(21)27 – proposals around Radiology are to be presented to the Executive Team for consideration.</p> <p>AC(21)11 – Ms Anne Beegan drew Members’ attention to the updated Audit Plan appended to the Table of Actions, and the fact that this year’s Audit Fee is unchanged. Members also heard that a letter had been issued to the HDdUHB Chief Executive and Director of Finance advising of Ms Ann-Marie Harkin’s replacement, Ms Clare James.</p> <p>With regards to the Audit Plan, Mr Davies noted that the amount available for local projects has been reduced, and enquired whether this will have a significant impact on local work. In response, Ms Beegan suggested that this will not be the case; it simply reflects a change in skill mix, and remains under consideration. Mr Winston Weir requested clarification regarding how local audit content is discussed and determined. Ms Beegan explained that, whilst Audit Wales usually provide a number of suggestions for local work, suggestions from the Audit Committee are welcomed. In determining the local programme of work, discussions also take place with the Board Secretary.</p> <p>It was agreed that completed actions would be removed from the Table of Actions.</p>	HT
AC(21)44	<p>Matters Arising not on the Agenda</p> <p>There were no matters arising not on the agenda.</p>	
AC(21)45	<p>Audit & Risk Assurance (ARAC) Self-Assessment Exercise 2020/21</p> <p>Mrs Wilson introduced the ARAC Self-Assessment Exercise Outcome report, thanking Members for taking the time to respond to the questionnaire. Whilst the additional commitment involved in this year’s process was recognised, it was emphasised that the feedback obtained is of more value than previously. The findings of the Self-Assessment</p>	

	exercise suggest that the Committee is working well, although there are a number of potential areas for improvement. The Board Secretary and Chair of ARAC would be meeting later in the week to discuss the findings, with the intention of providing a more detailed analysis to the 22 nd June 2021 meeting. Mr Newman and Mr Owen Burt agreed that the process, whilst more involved, would produce more comprehensive and constructive feedback.	
	The Committee DISCUSSED the responses from the ARAC self-assessment exercise 2020/21 and NOTED that a further report would be provided to the 22 nd June 2021 meeting.	

AC(21)46	Financial Assurance Report	
	<p>Mr Huw Thomas introduced the Financial Assurance Report, advising that this is of the standard format and highlights areas of the Standing Orders/Standing Financial Instructions which require scrutiny and which are not considered by the Finance Committee. The report focuses on areas of risk and any breaches of regulations. Members noted that there has been an increase in 'No PO, No Pay' breaches during March 2021, which is consistent with the pattern seen in previous years approaching year-end. Mr Thomas assured Members that where breaches occur, advice and education is provided. There are a significant number of Single Tender Actions (STAs) reported; however, the value is reduced. This position reflects year end pressures. Whilst recognising that there has been more 'leniency' in regards to STAs this year to respond to the COVID-19 pandemic, Mr Thomas emphasised that there will be a focus on communicating the need to tighten processes going forward. Although the amount involved in overpayment of salaries is not significant, there has been a step-change increase in the value of overpayments; this indicates a need to review and test what might have changed. The average recovery period for overpayments remains reasonable.</p> <p>Referencing STA HDD546, with MIS Ltd for Radiology equipment, Mrs Judith Hardisty queried whether this is, in fact, an ongoing contract. Noting that no alternative supplier is available, Mrs Hardisty reiterated the suggestion that such arrangements be managed via means other than STAs. Mr Thomas confirmed that maintenance contracts are being managed via an alternate mechanism; however, other arrangements need to remain within the STA process and he would be reluctant to change this. Mr Thomas was concerned, however, by STAs such as HDD545, with OSP Healthcare. This pilot had been commissioned through the Bevan Commission, and its continuation obligates the UHB to continue to use this supplier rather than use its own judgement. There are other, similar, examples. Whilst acknowledging these concerns, Mrs Hardisty highlighted STA HDD553, with the University of Warwick Business School. Having participated in this exercise, Mrs Hardisty was not aware of any evaluation conducted, and would query the statement that the Warwick Business School is the only supplier of this service. It was agreed that Mr Thomas would review the STA and provide an update at the next meeting. The need to accept procurement expertise around technical contracts was recognised; however, in an example such as this – Organisational Development – it was suggested that the opinion of other staff should be sought. Mrs Hardisty</p>	HT

emphasised that her concerns regarding STAs focus primarily on procedural aspects.

Welcoming these comments, Mr Thomas highlighted that both Aberystwyth and Bangor Universities have Behavioural Science teams which may have been able to provide this training and confirmed that more local providers for services are being considered. The statement that this arrangement is 'ongoing' refers to the fact that, whilst this was a single training session, its benefits are ongoing. Building upon Mrs Hardisty's comments, Mr Newman requested clarification regarding the mechanism for establishing that there is only one supplier. In response, Mr Thomas explained that this generally relies upon the knowledge and expertise of the procurement department; the only manner in which it could be tested would be to go to market/tender in every instance. In response to a further query, Mr Thomas confirmed that the specific STA being discussed was not subject to time constraints, and could have gone out to tender. Members were assured by Mr Thomas that a focus will be placed on communicating that STAs should not be regarded as the norm going forward, and that more contracts should go out to market/tender. Further assurances were provided that all STAs undergo due process and are reported to ARAC. Mrs Wilson, whilst acknowledging that she participates in the STA approval process, shared concerns around the number and use of STAs. As a result, the Internal Audit team has been requested to include an audit of the STA process in the programme for 2021/22.

Referencing Section 2.2.5, Transfer of Title documents, Mr Davies queried the transaction relating to Flexxible IT (Insight). Whilst emphasising that Transfer of Title is not a process commonly applied, Mr Thomas explained that it does allow the organisation to procure equipment under challenging supply conditions. Members heard that the transaction in question relates to Citrix hardware replacement. Returning to the topic of salary overpayments, Mr Weir requested clarification of the process and controls involved; and an indication of whether this is primarily a management issue, due to a failure to update records, or a payroll issue, whereby information is not being processed in a timely fashion. Additionally, whether issues are caused by there being more than one payroll centre and geographical inconsistencies as a result. In response, Mr Thomas explained that this is generally a management issue or staff issue, with information not provided to payroll promptly enough. Steps are being taken to systemise this process, with electronic forms utilising Office365. Payroll services for all Health Boards are provided through NHS Wales Shared Services Partnership (NWSSP); however, as stated, the vast majority of the issues are internal. Members noted that the Recovery of Overpayments and Management of Underpayments Policy is awaiting approval by the People, Planning & Performance Assurance Committee (PPPAC). Mr Newman queried whether the long-term objective is to achieve zero salary overpayments. Whilst indicating that this would be the UHB's ambition, Mr Thomas emphasised that there will always be instances of human error and stated that he would wish to assess the impact of the new system in the first instance.

Mr Winston Weir left the Committee meeting.

	<p>Referencing Section 2.6.2, and the overpayment of PAYE tax due to an interface error, Mr Davies enquired whether this interface has been updated. Mr Thomas confirmed that it had been and stated that this is a long-standing issue, which should have been resolved by now. In response to a further query regarding the likely timescale for resolution and whether it will result in a debit or credit for the organisation, Mr Thomas stated that there will be a refund in tax and that the UHB is dependent on the pace of HMRC's work processes. With regards to Nurse Agency overclaims detailed in Section 2.6.1, Mr Owen Burt noted the statement that this liability is expected to increase and enquired whether the scale of this issue is a cause for concern. Mr Thomas did not feel that it was. Referencing Section 2.4, and in response to a query regarding the divan beds donated, Mr Thomas explained that these had originally been purchased to equip Field Hospitals; however, more suitable replacements had since been obtained. It was acknowledged that 'disposed of' would be more appropriate terminology than 'donated'; however, Members were assured that the UHB had utilised as many as possible in residences, etc, before offering them to other health and care organisations such as local hospices.</p> <p>The Committee NOTED the Financial Assurance Report and APPROVED the losses and debtors write offs noted within.</p>	
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AC(21)47	<p>Clinical Audit Update</p> <p><i>Mrs Mandy Rayani and Mr Ian Bebb joined the Committee meeting.</i></p> <p>Presenting the Clinical Audit Update report, Mrs Mandy Rayani commended the Clinical Audit team and operational teams for maintaining the level of audit activity they have during the COVID-19 pandemic. Members heard that Whole Hospital Audit meetings have been resumed and that a new Clinical Director for Clinical Audit has been appointed. Mr Ian Bebb advised that the Department is making progress towards completion of the Clinical Audit programme from the previous two years, and is looking forward to returning to more normal levels of activity.</p> <p>Mrs Hardisty congratulated the Clinical Audit team on the progress outlined and assurance provided, and welcomed the appointment of a new Clinical Director. In response to a query regarding the reporting of outcomes for audits during 2019-21, Mrs Rayani indicated that she is considering whether certain of these are presented in detail to the Quality, Safety & Experience Assurance Committee (QSEAC), to more effectively 'bring to life' audit activity. This suggestion will be discussed with the Chair of QSEAC. Mr Bebb explained that audit outcomes will be reported to QSEAC, as has previously been the case; although these tend to be the outcomes of national audits and not at the level of detail it is intended to provide to the Clinical Audit Scrutiny Panel and Operational Quality & Experience Sub-Committee. Expanding on his query, Mr Newman enquired how it is intended to demonstrate that learning from Clinical Audit has been applied. Mrs Rayani replied that the Whole Hospital Audit meetings will be key in this regard and emphasised that a virtual/digital meeting format will facilitate a UHB-wide approach to learning. Members noted the intention for all Clinical Audits within the programme to be 'owned' by Operational Quality and</p>	
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	<p>Safety Forums, to provide the required support and accountability. Mr Bebb also advised that the action plans developed for each mandatory national Clinical Audit are being translated into a log/tracker, to ensure that individual outcomes and actions are fully recorded and monitored. Mrs Rayani, Mr Bebb and the Clinical Audit team were thanked for their continued efforts.</p> <p><i>Mrs Rayani and Mr Bebb left the Committee meeting.</i></p> <p>The Committee:</p> <ul style="list-style-type: none"> • NOTED the continued reduction in clinical audit activity during the COVID-19 outbreak; • NOTED the continued decision from Welsh Government to suspend audit data collection; • NOTED the decision to combine 2019/20 and 2020/21 into one report in 2021; • NOTED the appointment of a new Clinical Director for Clinical Audit; • NOTED the re-commencement of WHAM, the forward audit programme process and annual reporting. 	
AC(21)48	<p>Audit Wales Update</p> <p>Ms Lucy Evans provided an update on Audit Wales' financial audit work, advising that teams in the UHB and Audit Wales are working together to resolve issues as these arise. Members heard that both organisations are currently on target to deliver audited accounts to the required timescale. In regards to performance audit work, Ms Beegan highlighted that certain audits are delayed due to priority being given to COVID-19 related output and staff shortages. The Welsh Health Specialised Services Committee (WHSSC) report is out for clearance and will be published in early May 2021; the Referral to Treatment (RTT) report is being drafted. Work is underway on the Quality Governance review, with a report anticipated in June 2021; HDdUHB is probably further ahead in this area than other Health Boards. A national, high level review around the COVID-19 Vaccination roll-out is planned. Audit Wales is approaching the end of the planning phase for Structured Assessment and will move to the next stage at the beginning of May 2021. Other local work is also planned, including around Unscheduled Care.</p> <p>Noting the intention to conduct a review of the Vaccination Programme, Mr Newman enquired whether this will duplicate work conducted locally by Internal Audit. Ms Beegan emphasised that this is a national perspective, whilst advising that Audit Wales had joined Internal Audit's interview with HDdUHB's Director of Public Health.</p> <p>The Committee NOTED the Audit Wales Update.</p>	
AC(21)49	<p>Audit Wales Review: Test, Trace, Protect</p> <p><i>Ms Alison Shakeshaft and Mrs Ros Jervis joined the Committee meeting.</i></p> <p>Ms Beegan introduced the Audit Wales Review of Test, Trace, Protect, (TTP) highlighting that there are a couple of HDdUHB references. The report is broadly positive, and recognises the ongoing challenges faced by Health Boards. Mrs Ros Jervis welcomed the report and its findings,</p>	

particularly in terms of how these reflect the complexity of establishing the TTP programme in such a short period of time and ensuring its effective operation. The fact that the report identifies that the TTP programme is not 'end to end', and only starts with a positive test result, was also highlighted. Mrs Jervis reminded Members that Health Boards and their partners have been having to develop bespoke systems reactively. The TTP programme remains busy, despite a slight 'lull' in terms of COVID-19 cases, with the report reflecting demand during the second wave. Mrs Jervis suggested that coordination was probably the real strength of the TTP process, and was pleased that challenges around complexity and volume are reflected in the report. Ms Alison Shakeshaft agreed with all of Mrs Jervis' comments, adding that the TTP programme has been developed against a rapidly-changing landscape. The situation continues to evolve, with new technology being introduced and new requirements being issued by Welsh Government. To provide local context, Members were informed that at peak demand, in the community alone, HDdUHB was testing approximately 1,000 symptomatic individuals per day; this has reduced to approximately 56-58 per day.

Mrs Hardisty welcomed the balanced report and emphasised that the significant effort involved in establishing and operating the TTP programme should not be understated. Assurance was requested regarding Health Board involvement in discussions around Welsh Government plans around, for example, vaccination passports and workplace testing. Ms Shakeshaft reported that Welsh Government had tasked a number of different sectors with offering twice weekly testing for asymptomatic individuals. Until now, Health Boards have only been involved in testing Care Home staff and the roll-out of symptomatic testing. Welsh Government has liaised directly with the education sector regarding the testing of education staff. However, last week, Welsh Government announced that anyone who cannot work from home will be offered free lateral flow tests. Health Boards were informed at the beginning of the week that they would need to have processes in place to manage this by mid-week, to enable an announcement by the Minister on Thursday. The UHB had, therefore, arranged that tests can be collected from specific sites during specific hours; however, there are no identity checks or records for those collecting tests, unlike the processes in place for other sectors. With current prevalence rates and the need for a balanced approach, the value of putting this in place was, perhaps, debatable. It was considered likely that vaccination certification or evidence of a negative test will become more significant. Mrs Hardisty suggested that consideration of Welsh Government's communication is one element missing from the review, and emphasised the need for assurances regarding resource provision to manage future requirements. Ms Shakeshaft assured Members that resources are sufficient to provide symptomatic testing, and that it has been possible to put in place processes to supply lateral flow tests. In response to a query regarding who funds the lateral flow tests, Members heard that Welsh Government funds all COVID-19 testing.

Members were reminded that the situation can change extremely quickly. Whilst Mrs Jervis agreed that prevalence rates are currently low, there have been a number of incidents. The main priority is to learn

from the past few months and ensure that the organisation is as prepared as possible. This is particularly important in view of the reduction in lockdown restrictions, any increase in international travel and the potential to 'import' new, more challenging variants which may be more resistant to current vaccines. Ms Shakeshaft assured Members that plans and processes are in place to deal with any outbreaks or variants of concern. A range of options is also available which can be rapidly deployed, bespoke to specific circumstances, working closely with partners. Ms Shakeshaft was confident that the UHB can respond appropriately and rapidly. In response to a query regarding whether there is any evidence to suggest that new variants will not be detected during testing, Mrs Jervis reported that Wales is placed third in the world in regards to genomic sequencing undertaken as part of COVID-19 testing, with almost all, if not all positive tests being sequenced. Ms Shakeshaft confirmed that the vast majority of community PCR tests are being sent to the laboratories in Newport and all viable samples are being submitted for genomic sequencing. In addition, the community swabs arriving at UHB laboratories are being genomic sequenced.

Members were reminded that the participation and compliance of the general public remains crucial, and whilst fatigue in terms of testing and restrictions is recognised, complacency must be avoided. Testing and surveillance is strong in Wales and this needs to be maintained. In response to a query regarding any evidence of non-compliance with self-isolation following a positive test, this specifically was not considered to be commonplace or of concern. However, the desire among the general public to return to normal was recognised, particularly with improved weather, etc. Lessons have been learned from those areas where cases were high, in which anecdotal evidence suggested a lack of compliance with restrictions. It was felt, however, that compliance across HDdUHB is generally high. In response to a query regarding testing and testing capacity should there be a third wave, Ms Shakeshaft indicated that she is more confident the system would cope than in previous waves. There has been a great deal of investment in Public Health Wales and the Lighthouse Laboratories.

Mr Newman stated that the report makes clear the level of work required to reach this position, and how interdependent the various components are. Audit Wales were asked to indicate where the report sits in terms of consideration by Welsh Government. In response, Ms Beegan advised that, as a national report, it will be considered by Public Accounts Committee when this reconvenes following the Welsh Government elections. The challenge will be how it is responded to, in such a fast-moving and changing environment. Ms Beegan agreed with all of Mrs Jervis' and Ms Shakeshaft's comments, emphasising the need for Health Board teams to step back and reflect on what they have achieved, particularly how they can build on the positives from the pandemic, such as the partnerships developed. It is important not to lose these valuable connections going forward. Mrs Jervis, Ms Shakeshaft and their teams were thanked for their contribution and the incredible pace at which they had responded.

Ms Shakeshaft, Mrs Jervis and Ms Lucy Evans left the Committee meeting. Mr Weir re-joined the Committee meeting.

	The Committee NOTED the Audit Wales Review of Test, Trace, Protect.	
AC(21)50	Audit Wales Review: Supporting Staff Wellbeing during COVID-19	
	DEFERRED to 22 nd June 2021 meeting.	
AC(21)51	Audit Wales Orthopaedic Services Follow-up	
	DEFERRED to 22 nd June 2021 meeting.	
AC(21)52	Internal Audit Plan Progress Report	
	<p>Mr James Johns presented the Internal Audit (IA) Plan Progress report, highlighting the audits concluded since the previous meeting and the various reports at draft stage. Members heard that further progress has been made on these since the report was submitted. Mr Johns advised that the team is currently drafting the Head of Internal Audit Annual Report and Opinion, which will be presented to the 5th May 2021 meeting. A provisional assurance rating of Reasonable Assurance has been awarded, which should be viewed as positive. The Internal Audit Plan 2021/22 has been prepared and is presented under the next agenda item.</p> <p>With regards to the Annual Report and Opinion, Mr Newman noted that HDdUHB has received only two reports with Limited Assurance ratings, and more Substantial Assurance ratings than in any previous year. Mr Newman enquired whether any other organisations have been awarded a higher overall opinion than Reasonable Assurance. Mr Johns could not recall any instances of an overall Substantial Assurance opinion having been awarded. Members were reminded that the Internal Audit programme is risk-based, which often leads to ratings of Limited Assurance. This impacts upon the overall opinion. Mr Newman put forward that this suggests a relatively crude scoring system, in which Limited and Reasonable Assurance are the only potential outcomes. Further to this, Mr Johns was asked to comment on whether HDdUHB is at the 'top end' of the Reasonable Assurance rating. Mr Johns agreed that the UHB is comfortably within the Reasonable Assurance band. Whilst it is theoretically possible for an organisation to obtain an overall opinion of Substantial Assurance, this is unlikely. Mr Johns recognised that there have been fewer Limited Assurance ratings, noting that the Internal Audit Plan has been updated in response to both risks and the COVID-19 pandemic. Mr Thomas recognised the challenges in conducting Internal Audits, and that there have been limits to the scope of where Internal Audit can be utilised this year for various reasons. The positive findings in various reports were welcomed. It was noted, however, that these had been mainly in corporate domains, and it may be more challenging to maintain strong outcomes as the UHB returns to 'business as usual'. The organisation remains in Enhanced Monitoring, which may also impact on its ability to obtain a higher opinion rating.</p> <p>Mr Newman agreed that the Internal Audit team should be commended on its adherence to delivery of the Plan, and hoped that this would continue going forward.</p>	
	The Committee CONSIDERED the Internal Audit Progress Report and the assurance available from the finalised Internal Audit reports.	

AC(21)53	Internal Audit Plan 2021/22	
	<p>Mr James Johns presented the Internal Audit Plan 2021/22, noting that this is broadly the same format as previous years. Members were advised that the assurance domains have been removed from the planning process. Whilst the structure of the Plan is different, the focus remains a risk-based one. Beginning on page 3 are details of the six areas around which the Plan is structured. There is an increased focus on follow-ups compared with previous Plans. These slight changes have not, however, significantly impacted on the content of the Plan. The document details the planning process, which included meetings with key Executive Directors; and sets out the need to regularly review the Plan. There is sufficient potential and flexibility to accommodate changes throughout the year. Mr Johns explained that there are no significant changes to the Internal Audit Charter. Appendix A details the proposed Plan and timescales.</p> <p>Recognising that an agile approach to Internal Audit has been helpful this year, Mr Thomas thanked Mr Johns and Mrs Wilson for maintaining a robust process to keep to plan, whilst retaining sufficient flexibility to respond in an agile way to developing issues. Mr Newman agreed that there should be flexibility built into the Plan to respond to unexpected challenges; and suggested that it would be helpful if the number of days/hours anticipated for each audit were included, as this would be useful in understanding capacity issues. Following up on comments made in response to the ARAC Self-Assessment, Mr Newman enquired whether it would be possible to reconcile Internal Audit reports with the UHB's new Strategic Objectives. Mr Johns confirmed that this could be considered. Mrs Wilson suggested that, in terms of the Strategic Objectives, ARAC will have a unique role around the Board Assurance Framework (BAF). Therefore, ARAC's focus may not be individual reports, but rather the BAF and the levels of assurance provided, etc. It was recognised, however, that Internal Audit will be one of the key assurance mechanisms on the Strategic Objectives moving forward. It was noted that there is currently only one audit which focuses on primary care – on Primary Care Clusters; the remainder are corporate or secondary care based. Mr Newman enquired whether there is capacity to consider identifying other primary care audits during the year. In response, Mr Johns advised that there is also a planned audit in Continuing Health Care, whilst acknowledging that the level of audit activity within primary care had been identified as a concern during the planning process.</p> <p>Mr Johns emphasised that careful consideration had been given to the timings of audits, in order to maintain a focus on delivering the audit programme. He was content with overall levels of Internal Audit resource, noting that the team has been strengthened during the year, and that a Deputy Head of Internal Audit had been appointed. Whilst assuring Members that the team does take into account the number of days for audits, Mr Johns emphasised the need to retain sufficient flexibility to accommodate national audit work and re-prioritise/re-adjust audit focus. Returning to the subject of audits in primary care, Mrs Hardisty agreed with previous comments. In addition, Mrs Hardisty</p>	JJ

	<p>suggested that certain linkages may be missing, and highlighted the need for clarity around the scope of certain audits. For instance, whether they will include liaison with social care partners. The proposed audits in Continuing Health Care and Delayed Transfers of Care appear to be focused internally, when both processes involve external partners. Mrs Hardisty suggested that further consideration is required regarding these audits. Mr Johns explained that the Delayed Transfers of Care audit will have a different focus from the Continuing Health Care audit; and will be examining the UHB's processes. Whilst acknowledging the limitations, Mrs Hardisty queried the value this will offer, emphasising that the UHB's processes are only part of a larger system. It was suggested that topics such as this link into the remit of the Regional Partnership Board (RPB). Mrs Wilson advised that the Director of Primary Care, Community & Long Term Care will be the Executive Lead for both of these audits; and explained that, to an extent, they are to ensure the UHB's processes are fit for purpose, before addressing issues elsewhere. Recognising that organisations including the UHB are increasingly working across boundaries, Mr Thomas suggested that there are a number of areas where a pan-RPB approach would be beneficial. Mr Thomas offered to discuss with NWSSP and Audit Wales the potential value of an audit assurance programme jointly commissioned through the RPB. Members heard that the new Independent Member, Cllr. Gareth John, is skilled in this area and has strong links with all of the Local Authorities, which may offer potential valuable opportunities.</p>	HT
	<p>Subject to the above comments, the Committee APPROVED the Internal Audit Plan and Charter for 2021/22.</p>	

AC(21)54	<p>COVID-19 Mass Vaccination Programme (Advisory Review)</p> <p><i>Mrs Jervis re-joined the Committee meeting.</i></p> <p>Mr Johns introduced the COVID-19 Mass Vaccination Programme (Advisory Review) report, emphasising that this had been conducted against a backdrop of an evolving position. Recognition of the fact that it is not a static situation is reflected in the report's key observations. The report comments on the evolution of the programme's governance arrangements, which the review had found to be satisfactory. It also considers how the programme was developed and continues to evolve, recognising the ongoing challenges the organisation faces and the pressure the team is under. As this is an advisory review, there is no assurance rating; however, Mrs Jervis and her team have already responded to the recommendations within the report and developed an action plan. Mr Johns thanked the team for their cooperation during this challenging time. Mrs Jervis highlighted that the size and pace of the COVID-19 Vaccination Programme is extraordinary, and welcomed the report's findings.</p> <p>Commending the extremely useful report, Mrs Hardisty expressed that it was unfortunate the report does not have an assurance rating, as it had provided a great deal of assurance. In view of the positive findings, it had not been surprising that HDdUHB had been the first region in the UK to be offered the Moderna vaccine. Mrs Hardisty congratulated the team on their remarkable achievement. Whilst the issues raised by Internal Audit are important, they are relatively minor in the overall</p>	
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scheme. Mr Weir concurred with these comments, recognising in particular the challenge of developing and delivering a vaccination programme concurrently. The findings of the report, which were pragmatic and helpful, were also welcomed. Mr Weir suggested that it would be interesting to review the position in six months. Overall, this was an extremely useful piece of work, which had provided significant assurance and confidence in the processes put in place.

With regards to the second priority consideration, around minutes of the Bronze Vaccine Delivery Group, Mrs Wilson confirmed that she is comfortable with current arrangements whereby meetings are recorded via MS Teams. These recordings will be archived as part of the UHB's preparations for the COVID-19 Public Inquiry. Referencing the fourth priority consideration, to 'Assess aspects of the COVID-19 vaccination rollout that have worked particularly well', Mr Newman enquired whether there are plans to conduct a 'stocktake' or 'lessons learned' exercise with regard to the vaccination programme and develop a reflective summary at some point. Also, whether plans are being developed around the potential need for booster vaccinations. In response, Mrs Jervis assured Members that learning is being given due consideration; however, priority is currently being given to delivery of the vaccination programme. Milestone 3 of the Welsh Government's Vaccination Strategy had been embarked upon on 19th April 2021, with the aim of completion by the end of July 2021. As guidance around the need for booster vaccinations emerges, Mrs Jervis was confident that the UHB will revisit their archive of actions to evaluate how these can be delivered and where improvements can be made. Members were informed that there is strong support for establishing a sustainable Vaccination Service in HDdUHB, which Mrs Jervis had been promoting even prior to the COVID-19 pandemic.

Ms Beegan reminded Members that Audit Wales are planning a national review of the COVID-19 Vaccination roll-out. She was able to confirm that this will include a focus on long-term plans around a wider immunisation programme and on wastage/Did Not Attend levels. Ms Beegan noted that HDdUHB is probably one of the only Health Boards without a vaccination reserve list. Responding to this comment, Mrs Jervis explained that HDdUHB are taking a 'leave no-one behind' approach. This is to ensure that everyone in Priority Groups 1-9 can receive the vaccine if they wish to. Once demand in these groups has waned, a reserve list will be established by means of a form to register interest. Mrs Jervis emphasised that HDdUHB are offering vaccinations in line with the priority order determined by the Joint Committee on Vaccination and Immunisation (JCVI). Members heard that HDdUHB is in the top two performing Health Boards in terms of vaccine wastage. Mr Weir welcomed plans for a Wales wide audit review, suggesting that the population would wish to see assurance on the vaccination progress and delivery. However, it was further suggested that the overall value for money aspect is also important; to provide an understanding of the resource invested and the outcomes as a result. Mr Newman thanked both Mr Johns for this useful and positive report, and Mrs Jervis and her team for their efforts.

Mrs Jervis left the Committee meeting.

	The Committee NOTED the COVID-19 Mass Vaccination Programme (Advisory Review) report.	
AC(21)55	Health & Safety	
	DEFERRED to 5 th May 2021 meeting.	
AC(21)56	Patient Experience (Reasonable Assurance)	
	<p><i>Mrs Rayani re-joined the Committee meeting. Mrs Louise O'Connor joined the Committee meeting.</i></p> <p>Mr Johns introduced the Patient Experience report, drawing Members' attention to the key messages and findings outlined in Section 4. The report had been awarded a rating of Reasonable Assurance, with various positives identified, including the Improving Patient Experience Report to Board, the introduction of Family Liaison Officers and the Patient Charter. Whilst Mrs Rayani would have preferred a rating of Substantial Assurance and had discussed with the auditors what might have secured this, she was pleased with the positive findings. Members were assured that a 'stocktake' will be conducted with regards to the Listening & Learning Sub-Committee, although there is a need to allow this sub-committee time to embed and establish itself fully. The team are also committed to taking forward the Patient Charter, and the UHB's Improving Together work will include consideration of how the effectiveness of the Patient Charter is measured. Mrs Louise O'Connor agreed that it had not been possible to progress work to the desired level during 2020/21; however, more opportunities to do so now exist. These include a new Patient Experience system, with which the Patient Charter can be more effectively aligned. The need to carefully consider language was recognised. An action plan will be presented to the next meeting of the Listening & Learning Sub-Committee on 5th May 2021.</p> <p>Mrs Hardisty suggested that the assurance rating of this report was lower than it might have been, and specifically that the High Priority allocated to the recommendation around the Patient Charter was excessive and unbalanced. It was felt that more recognition should have been given to the improvements in evidencing collection of patient feedback and addressing this in reports to QSEAC and Board. Mr Johns assured Members that due consideration is given to the balance of findings and recommendations and whether assurance ratings are appropriate. The rating awarded in this case had been discussed at length with Mrs Rayani and her team and the auditors had considered it to be correct following these discussions. Mr Newman suggested that the rating awarded may reflect previous concerns expressed by ARAC that Internal Audit reports were overly positive when this was not necessarily warranted. Returning to the report in question, Mr Newman enquired whether it is intended to evolve the Patient Experience Reports to QSEAC and Board. In response, Mrs O'Connor confirmed that the team are looking forward to implementation of the new Patient Experience system, and to putting processes in place which will facilitate this development. Mr Newman thanked Mrs Rayani, Mrs O'Connor and the Patient Experience team for their continued efforts and suggested that the report be shared with the Chair of QSEAC.</p>	
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	<i>Mrs Rayani and Mrs O'Connor left the Committee meeting.</i>	
	The Committee NOTED the Patient Experience (Reasonable Assurance) report.	

AC(21)57	<p>Management of Fire Enforcement Notices (Substantial Assurance)</p> <p><i>Mr Andrew Carruthers and Mr Rob Elliott joined the Committee meeting.</i></p> <p>Mr Eifion Jones introduced the Management of Fire Enforcement Notices report, drawing Members' attention to the assurance summary and overall assurance rating detailed on page 7. The audit had identified clear and robust executive leadership, governance and scrutiny, and only minor recommendations had been made. The strategy in this area is driven by Fire Enforcement Notices and the Corporate Risk Register, and is well defined. Capital investment has been made to identify and address deficiencies. Whilst implementation is still at an early stage, there is a clear programme for this. Welcoming the report's positive findings, Mr Rob Elliott emphasised that this was attributable to a significant team effort, noting in particular the importance of aligning UHB and Fire Service improvement programmes, in liaison with Welsh Government. Mr Andrew Carruthers also welcomed the report and the assurance it offers in the context of the UHB's 'journey' in this regard over the past 12-18 months. It was suggested that Mr Elliott is probably understating the role he has played in liaising with the Fire Service and Welsh Government. Members heard that the organisation is now taking steps to consolidate learning and apply it to other UHB sites. Early conversations are taking place in this regard with the Fire Service and Welsh Government.</p> <p>Congratulating the team on this positive report, Mr Davies referenced the table on page 10 and the intention to submit the Business Justification Case (BJC) 1 to Welsh Government in March 2021, enquiring whether this was achieved. Mr Elliott advised that finalisation of the BJC had taken 2-3 extra weeks, although it had been completed by the end of March. The BJC would be presented to PPPAC in April 2021 for approval, after which it will be submitted to Welsh Government, although Mrs Wilson highlighted that it will need to be approved via Chair's Action prior to submission. Mrs Hardisty welcomed the progress identified, whilst noting that the report only focuses on two sites and that investment – and the resultant compliance – is dependent on Welsh Government approval of the BJC. The report, whilst positive, does not, therefore, necessarily reflect the level of challenge still ahead. Mr Jones explained that the scope of the audit was very much focused on management of the Enforcement Notices, and should be read in this context. The wider risk issues are, however, recognised. Mr Carruthers acknowledged that significant challenges and risks remain. Returning to the BJC, Mr Elliott was hopeful that this would be approved by Welsh Government as they have been fully apprised of the capital content. It was noted, however, that a separate BJC will be required for the other UHB sites.</p> <p>Mr Newman stated that the report findings and above discussions seem to suggest that the UHB has established a positive working relationship</p>	
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	<p>with the Fire Service; although he wondered whether the flexibility they have been willing to extend will apply to other UHB sites. Whilst Mr Elliott acknowledged the possibility of visits to Bronglais General Hospital and Prince Philip Hospital, the UHB now has an enhanced understanding of the potential issues, due to the surveys undertaken. Members were also reminded that the UHB has submitted to Welsh Government a Programme Business Case for Major Infrastructure funding, which is intrinsically linked to the organisation's capacity in this area. Referencing page 11, and the increase in Phase 1 costs following detailed analysis, Mr Newman enquired whether there is likely to be a similar increase in respect of Phase 2. Mr Elliott explained that initial costings were high-level; detailed analysis for Phase 2 has not yet been undertaken, therefore it is not possible to determine whether it will be subject to the same complexities that Phase 1 was. Members heard that Welsh Government has changed its approach with regard to the BJC being submitted for Phase 1, in that a Quantifiable Risk Contingency is being applied. This will allow the UHB to call upon additional funding, should the complexity of requirements increase. There is also extensive engagement with Welsh Government capital teams and Mid and West Wales Fire & Rescue Service, in a continuation of the tripartite approach. Mr Jones added that NWSSP are in the process of agreeing an integrated audit plan for Business Justification Cases, which will provide Audit Committees with updates on the performance and progress of projects.</p> <p>Mr Newman welcomed the report's focus and findings, whilst reiterating that there is still much to do in this area. It was agreed that this should be highlighted to Board.</p> <p>The Committee NOTED the Management of Fire Enforcement Notices (Substantial Assurance) report.</p>	<p>PN/JW</p>
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AC(21)58	<p>Bronglais General Hospital Front of House – Final Account (Non-opinion Review)</p> <p>Mr Jones introduced the Bronglais General Hospital (BGH) Front of House report, advising that this is a routine piece of work examining the final account aspect of this project. The audit had examined 63% of the costs incurred by the contractor involved and had identified no issues; all queries had been satisfactorily addressed.</p> <p>Mr Davies observed that there were Agreed Compensation Events of £5.2m attributed to refurbishment of theatres, and queried how these had arisen. Mr Elliott explained that this particular project dates back to 2012 and had involved a new build operating theatre and A&E, and a number of refurbishments to the wider estate at BGH. As the project had progressed, particularly during the past 1-2 years, the need for upgrades to theatres had been identified. The scale of the refurbishments was reflected in the monetary amount. Mr Weir welcomed the transparency in values, whilst requesting clarification regarding whether the project met overall objectives, whether it was completed on time, and who had met the additional costs involved. With regard to the first query, Mr Elliott advised that this project forms but one part of delivery of the clinical model. A Post Project Evaluation is, however, being conducted, which is more clinically-focused than others. The project had been completed on time and to the standard required.</p>	
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	Members heard that Welsh Government had funded the additional costs incurred.	
	<i>Mr Carruthers and Mr Elliott left the Committee meeting.</i>	
	The Committee NOTED the Effectiveness of Bronglais General Hospital Front of House – Final Account (Non-opinion Review) report.	
AC(21)59	COVID-19 Governance Update	
	DEFERRED to 5 th May 2021 meeting.	
AC(21)60	Data Modelling	
	DEFERRED to 5 th May 2021 meeting.	
AC(21)61	Specific Brexit Risks	
	DEFERRED to 5 th May 2021 meeting.	
AC(21)62	Women & Children's Phase 2	
	DEFERRED to 5 th May 2021 meeting.	
AC(21)63	WGH Palliative Care, Oncology & Haematology Inpatient Facility (Wards 9 & 10)	
	DEFERRED to 5 th May 2021 meeting.	
AC(21)64	Charitable Funds Committee Assurance Report around the Discharge of their Terms of Reference	
	<p><i>Mrs Rayani re-joined the Committee meeting.</i></p> <p>Mrs Rayani presented the Charitable Funds Committee (CFC) Assurance Report, which sets out the way in which the CFC has managed its business in the past 12 months. Members heard that the Director of Nursing, Quality & Patient Experience and Director of Finance have taken steps to ensure a more robust management of the CFC. Mrs Rayani will be chairing the Charitable Funds Sub-Committee for the next few meetings at least. A joint project with Finance Business Partners has been commenced, to ensure that charitable funds are being utilised in the way donors have requested.</p> <p>Noting the investment in the Sarasin Endowment Fund, Mr Davies enquired whether this is an ethical fund and what precautions are taken to ensure investments are not made in dubious companies. Mr Thomas confirmed that the Sarasin Endowment Fund is ethical, although it takes a 'negative ethical' approach, in that it does not invest in companies involved in gambling, tobacco, armaments or pornography. It is not a 'positive ethical' fund in terms of actively investing in the environment, for example. Members heard that there had been a discussion at the most recent CFC meeting around whether the Fund positively pursues an ethical criteria/stance in stakeholder voting and this was confirmed. In response to a query regarding whether the Fund can be encouraged to invest in companies within the HDdUHB region, Mr Thomas advised that this has been considered; however the Fund invests on an international basis and it would be challenging to change this approach. To do so would also change the risk portfolio significantly. Mr Burt, who</p>	

	<p>has been a member of the CFC, assured Members that these issues are discussed in detail and that the Committee receives regular reports from Sarasin.</p> <p><i>Mrs Rayani left the Committee meeting.</i></p> <p>The Committee NOTED the content of the Charitable Funds Committee Assurance report, and was ASSURED that the Charitable Funds Committee has been operating effectively during 2020/21.</p>	
AC(21)65	<p>Finance Committee Assurance Report around the Discharge of their Terms of Reference</p> <p>The Committee NOTED the content of the Finance Committee Assurance report, was ASSURED that the Finance Committee has been operating effectively during 2020/21. There were no issues for consideration by the Committee in respect of its future work plan.</p>	
AC(21)66	<p>Audit Tracker</p> <p>Mrs Wilson introduced the Audit Tracker report, advising Members that this is of the usual format.</p> <p>Members heard that Since February 2021, a further 36 reports have been closed or superseded, with 18 new reports received by the UHB. As at 30th March 2021, there are 97 reports currently open, 48 of which have recommendations that have exceeded their original completion date. There is a decrease in recommendations where the original implementation date has passed from 153 to 84 and where recommendations have gone beyond six months of their original completion date from 96 to 51 as reported in February 2021.</p> <p>The Committee TOOK ASSURANCE on the following:</p> <ul style="list-style-type: none"> • Executive Directors and Lead Officers understand that there is still the expectation that outstanding recommendations from auditors, inspectorates and regulators should continue to be implemented during COVID-19, to ensure services are safe and the risk of harm to patients and staff is managed and minimised; • The rolling programme to collate updates from services on a bi-monthly basis in order to report progress to the Committee. 	
AC(21)67	<p>Prioritised Plan for Outstanding Audit/Regulatory/Inspectorate Recommendations - Update on Progress</p> <p><i>Mrs Charlotte Beare joined the Committee meeting.</i></p> <p>Mrs Wilson presented the Prioritised Plan for Outstanding Audit/Regulatory/Inspectorate Recommendations update report, thanking Mrs Charlotte Beare for her assistance in this task. The process undertaken in compiling this report was outlined, with Members noting that 9 recommendations had been closed. The Board Secretary and Head of Assurance & Risk had then met with Executive Directors to review those recommendations attributed to them, which numbered 170; these are detailed in the table on page 2. This had proved an extremely useful exercise, and had identified that a number of recommendations had already been addressed/completed. The UHB is, therefore, in a much improved position than previously. Discussions are ongoing around how</p>	

	<p>this process might be managed periodically going forward, to maintain focus and monitoring.</p> <p>Mr Newman welcomed the report, suggesting that its length is probably not reflective of the amount of work involved. The value of this work, was, however, recognised. It was suggested that the medium and high risk recommendations be used as a basis for determining a programme of scrutiny for ARAC. Mrs Wilson agreed that this would be a sensible approach, noting that the three high risk recommendations are patient focused. Consideration of this matter would be included in agenda-setting for future meetings.</p>	
	<p>The Committee TOOK ASSURANCE from the work that has been undertaken to prioritise the implementation of outstanding red recommendations.</p>	

AC(21)68	<p>Counter Fraud Annual Report 2020/21</p> <p><i>Mr Ben Rees joined the Committee meeting.</i></p> <p>Mr Ben Rees presented the Counter Fraud Annual Report 2020/21, highlighting the following:</p> <ul style="list-style-type: none"> • A slight reduction in Resource (days) used, due to interval between the departure of the previous Head of Counter Fraud and appointment of replacement Local Counter Fraud Specialist; • An assessment of HDdUHB has been conducted against the NHS Counter Fraud Authority Quality Assurance Standards, which will be presented as part of the next agenda item. 	
	<p>The Committee NOTED the Counter Fraud Annual Report 2020/21.</p>	

AC(21)69	<p>Counter Fraud Work Plan 2021/22</p> <p>Mr Rees presented the Counter Fraud Work Plan 2021/22, advising that the new NHS Counter Fraud Authority Quality Assurance Standards have now been introduced. The associated Self-Review Assessment is usually due for completion by the end of April; however, this has been deferred until the end of May 2021. Mr Rees has prepared a draft of the proposed return, based on the new standards, which will be approved by the Chair of ARAC and Director of Finance prior to submission. Members' attention was drawn to the following Red and Amber rated components:</p> <p>Component 6, Requirement 6 The UHB has not utilised data metrics to date; however a new data management system 'Clue3' is being introduced, which will facilitate compliance with this requirement in the future.</p> <p>Component 8, Requirement 8 Clue 3 will assist in meeting this standard and it is anticipated that the UHB will obtain compliance next year.</p> <p>Component 3, Requirement 3 As previously advised, it is intended to share Fraud Risk Assessments as part of the In-Committee ARAC sessions. However, the new</p>	
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	<p>standard has an additional requirement, and Local Counter Fraud Specialists will participate in the national exercise to identify risks. It is intended that Fraud Risk Assessments will lead to the identification of proactive action plans, from which data metrics can be produced and benchmarking undertaken. This will lead to definition of losses and benefits.</p> <p>Mr Rees also highlighted that, in order to accommodate additional proactive work in the category of Prevent & Deter, resource (days) has been reallocated from Holding to Account.</p> <p>Mr Newman thanked Mr Rees for his detailed and comprehensive reports today, together with those presented to each meeting. Mr Thomas also wished to recognise Mr Rees' contribution during his first year in post as Head of Counter Fraud, noting that the Self-Review Assessment demonstrates honesty and self-reflection.</p> <p>The Committee APPROVED the Counter Fraud Work Plan 2021/22.</p>	
AC(21)70	NHS Counter Fraud Authority Draft SRT Return	
	DEFERRED to 22 nd June 2021 meeting.	
AC(21)71	Audit & Risk Assurance Committee Work Programme 2021/22	
	The Committee NOTED the ARAC Work Programme.	
AC(21)72	Any Other Business	
	There was no other business reported.	
AC(21)73	Reflective Summary of the Meeting	
	<p>A reflective summary of the meeting was captured which will form the basis of the ARAC Update Report, and highlight and escalate any areas of concern to the Board. This would include a summary of discussions, together with the following specifically:</p> <ul style="list-style-type: none"> • Audit Wales Test, Trace, Protect Review • COVID-19 Vaccination Programme Internal Audit Review • Fire Enforcement Notices Internal Audit Review • Closure of Board action on Outstanding Audit/Regulatory/Inspectorate Recommendations 	
AC(21)74	Date and Time of Next Meeting	
	<p>9.30am, 5th May 2021 (Review of Draft Annual Accounts and Draft Accountability Report)</p> <p>9.30am, 10th June 2021 (Sign-off Annual Accounts)</p> <p>9.30am, 22nd June 2021 (Routine Meeting)</p>	