

**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, 25 th August 2020
Venue:	Boardroom, Corporate Offices, Ystwyth Building, St David's Park, Carmarthen

Present:	Mr Paul Newman, Independent Member (Committee Chair) (VC) Mr Mike Lewis, Independent Member (Committee Vice-Chair) (VC) Mr Owen Burt, Independent Member (VC) Mr Maynard Davies, Independent Member (VC) Cllr. Simon Hancock, Independent Member (VC) Mrs Judith Hardisty, Vice-Chair, HDdUHB (VC)
In Attendance:	Ms Anne Beegan, Audit Wales (VC) Mr Jeremy Saunders, Audit Wales (VC) Mr James Johns, Head of Internal Audit, NWSSP (VC) Mrs Joanne Wilson, Board Secretary Mr Huw Thomas, Director of Finance Mr Ben Rees, Head of Local Counter Fraud Services (part) Mr Scott Lavender, Deputy Head of Engagement & Support Services, Primary Care Services, NWSSP (part) (VC) Ms Amanda Legge, All Wales PPV Manager (part) (VC) Ms Sue Tillman, PPV Location Manager (part) (VC) Ms Anna Bird, Assistant Director, Strategic Partnerships, Diversity & Inclusion, (part) (VC) deputising for Ms Sarah Jennings, Director of Partnerships & Corporate Services Mrs Ros Jervis, Director of Public Health (part) (VC) Ms Sam Hussell, Head of Health Emergency Planning (part) (VC) Mr Andrew Carruthers, Director of Operations (part) Mr Paul Williams, Head of Property Performance (part) (VC) Mrs Mandy Rayani, Director of Nursing, Quality & Patient Experience (part) Dr Philip Kloer, Medical Director and Deputy Chief Executive (part) Dr Caroline Williams, Senior Operations Manager, R&D (part) Ms Clare Moorcroft, Committee Services Officer (Minutes)

Agenda Item	Item	
AC(20)145	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: <ul style="list-style-type: none"> • Mr Steve Moore, Chief Executive • Ms Sarah Jennings, Director of Partnerships & Corporate Services • Mrs Charlotte Beare, Head of Assurance and Risk • Dr Leighton Phillips, Deputy Director, Research and Innovation 	
AC(20)146	Declaration of Interests	
	No declarations of interest were made.	

AC(20)147	Minutes of the Meeting held on 23rd June 2020 RESOLVED – that the minutes of the Audit & Risk Assurance Committee meeting held on 23 rd June 2020 be APPROVED as a correct record.	
AC(20)148	Table of Actions <p>An update was provided on the Table of Actions from the meeting held on 23rd June 2020 and confirmation received that outstanding actions had been progressed. In terms of Matters Arising:</p> <p>AC(20)84 – it was noted that this matter will be considered by the national Audit Chairs' Group.</p> <p>AC(19)222 – this issue has remained unresolved for some time. It was highlighted that the Gantt chart attached to the Table of Actions is out of date, and disappointment was expressed that this did not provide the Committee with an appropriate level of assurance.</p> <p>AC(20)112 – the RAG rating of green for this action was queried. It was highlighted that the loss of staff was due to shift patterns, which is not mentioned or addressed in the update.</p> <p>AC(20)124 – it was suggested that the revised management response does not necessarily address the concerns previously expressed.</p> <p>Members noted that the Director of Operations would be joining the meeting for a later agenda item, and therefore these queries could be raised at that time.</p> <p>It was agreed that completed actions would be removed from the Table of Actions.</p>	
AC(20)149	Matters Arising not on the Agenda <p>There were no matters arising not on the agenda.</p>	
AC(20)150	Feedback from Welsh Government Meeting held on 23rd July 2020 <p>Mr Huw Thomas provided an update from the most recent meeting with Welsh Government (WG) on 23rd July 2020, stating that the tone of the conversation had been different to previous Targeted Intervention meetings. Discussions had focused on the UHB's response to the COVID-19 pandemic, in both primary and secondary care. WG's main concerns centred on forecasting, recognising the challenges faced in this regard. The UHB's forecast had been extended and reviewed as a consequence. The UHB's planning for the remainder of 2020/21 had also been considered although 2021 onwards had not been discussed in detail. There are still uncertainties regarding the funding framework going forward, and savings delivery remains unclear. Overall, however, the meeting had been extremely supportive.</p> <p>Noting that improved finances are key to extricating the UHB from Targeted Intervention, Mr Mike Lewis queried whether the COVID-19 pandemic will make this more challenging, or whether expectations may change. It was felt that there were too many unknowns at present to</p>	

	<p>speculate in this regard. WG have, however, indicated that Health Boards will need some form of performance framework. Referencing the informal notes that are shared with colleagues for internal purposes only, there was a query regarding the statement that Hywel Dda UHB had not repurposed funding in the same way as other Health Boards. In response to the query raised, it was explained that Hywel Dda UHB had identified COVID-19 funding streams from Integrated Care Fund (ICF) and Transformation Fund monies, together with UHB Reserves, which had been utilised until funding from WG was confirmed. This was a different approach from that taken by other Health Boards. Hywel Dda UHB had anticipated that it would need to utilise its Reserves for COVID-19 requirements such as Field Hospitals. At the time of the WG meeting, the UHB had not analysed its slippage in spending by the end of Quarter 1; this exercise has now been completed and the findings would be presented at the Finance Committee meeting on 26th August 2020.</p> <p>Mrs Judith Hardisty highlighted a statement towards the end of the report regarding the Winter Plan, with it noted that correspondence from the Minister for Health & Social Services announcing his Winter Protection Plan had now been received. Members were informed that, as in previous years, the Winter Plan needs to be jointly developed and agreed with Local Authority partners. Whilst the Plan requires approval by the Regional Partnership Board, as the timing of meetings does not facilitate this, the approval process will need to be managed 'virtually'. Clarification was requested regarding the approval route within the UHB, with Members advised the Winter Plan would be approved by the Board in public session. In response to an enquiry regarding whether it is likely that meetings will continue in the same vein, with a 'light touch' approach; whilst it was conceded that the tone of the meeting was different, it was emphasised that discussions were in depth and detailed. It was agreed the report would be amended with the reference to 'light touch' being removed prior to this being uploaded on the website.</p> <p>The Committee NOTED the update from the Targeted Intervention meeting held on 23rd July 2020.</p>	<p>CM</p>
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AC(20)151	<p>Financial Assurance Report</p> <p>Mr Thomas introduced the Financial Assurance Report, drawing Members' attention to an error in Appendix 2, which suggests that the Field Hospital contract with Bluestone had been awarded via competitive tender. This was not the case, and will be corrected prior to publication on the website. In other respects, the report is fairly standard; there has been an increase in 'No PO, No Pay' breaches, although the value is not significant. The anticipated increase in Single Tender Actions resulting from COVID-19 had not materialised.</p> <p>Cllr. Simon Hancock requested clarification regarding the work of the Overpayments Task & Finish Group described on page 9, specifically the review of the relevant policy, and whether this refers to the existing policy or the new. It was confirmed that the review is of the existing policy. Referencing 'No PO, No Pay' breaches, Mr Owen Burt noted that the value of these was impacted by two high value invoices from Local Authority partners, and requested further information. Members</p>	<p>HT</p>
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	<p>learned that these invoices were for work undertaken in relation to COVID-19, and that whilst the values are large, they do not represent a significant cause for concern. Mr Maynard Davies highlighted that in Appendix 5, a number of losses relate to charges for hearing aids, and suggested that this charge be made at the point of supply. Members were informed that Mr Thomas had also queried this with the relevant processes being reviewed recognising the need for the UHB to be more proactive with work in this regard ongoing. Referencing page 7, Mr Burt welcomed the initiative to streamline payment to smaller suppliers, and queried whether any positive impacts have been seen to date. The previous and new processes were outlined, with Members noting that the latter has resulted in more timely payments, however audits will be conducted to ensure receipt of goods. With regards to Appendix 5, clarification was requested regarding the £5,000 ex gratia compensation payment made in relation to mailroom loss. It was explained that this related to a claim made against the UHB regarding material which should have been sent via Recorded Delivery. Referencing section 2.6 of the report, Mr Lewis noted that this includes two instances where the UHB is in discussion with HMRC, and where the UHB appears to have overpaid tax. In both cases, HMRC appear to be providing a 'holding response', citing COVID-19, which is disappointing. Mr Thomas shared this view, whilst assuring Members that the UHB and its tax advisers are pursuing this robustly with HMRC. Returning again to Appendix 5, Mr Newman requested assurance that the losses requiring ARAC's approval have been examined, and are within the parameters expected. In response, Mr Thomas confirmed that this is the case, with Pharmacy losses scrutinised by Ms Jenny Pugh-Jones, Head of Medicines Management, in conjunction with the Finance team.</p> <p>The Committee NOTED the report and APPROVED the losses and debtors write offs noted within.</p>	
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AC(20)152	<p>Post Payment Verification (PPV) End of Year Report</p> <p><i>Mr Scott Lavender, Ms Amanda Legge and Ms Sue Tillman joined the Committee meeting.</i></p> <p>Mr Scott Lavender presented the Post Payment Verification (PPV) End of Year report, advising that having recently moved into a new role, Ms Amanda Legge will be the new PPV contact for ARAC going forward, together with Ms Sue Tillman. Members heard that the PPV function had been stood down in mid-March 2020, due to COVID-19, with a commitment to review this on a regular basis. A recovery plan has now been developed and shared with WG, Primary Care and Directors of Finance. There has been some concern regarding files being put on pause, and this will be addressed as soon as possible. The PPV department will be recommencing verification work from 1st October 2020, and changes to working practices are planned, with increased use of remote systems to access practice data. Members heard that 409 practices will be visited during the period 1st October 2020 to 31st March 2021, with it intended to review and conclude data from 2019/20. Work with Ophthalmic services is planned to commence from April 2021, although a project for WG on opticians' opening hours is being undertaken. A PPV pilot was conducted previously in Betsi Cadwaladr UHB which involved contacting patients; whilst development of this had</p>	
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been delayed due to COVID-19, it will now be rolled out more widely. Changes are also planned to clinical waste checks, with a move to a self-assessment tool enabling practices to submit documentary evidence including photographs.

Mr Ben Rees joined the Committee meeting.

Mr Lewis welcomed confirmation of the forward workplan, and accepted the reason for pausing PPV visits. Referencing the Medical PPV Progress report, he noted, however, that Practices 7 and 15 are marked as 'Visit file in progress' some significant time after the visits took place. Also, there are certain practices, for example Practices 8 and 28, which have been rated consistently red or red and amber for several years. It was suggested that consideration should be given to more regular revisits in these cases, with more 'latitude' offered to those practices which are rated consistently green. Accepting these comments, Mr Lavender explained that visits and verification involve a great deal of liaison and information exchange between the PPV team and practices, and that evidence requests and clinical queries can take time to resolve. It was recognised, however, that timescales should be reviewed. Whilst acknowledging this, Mr Lewis suggested that 12-15 months without resolution is unacceptable. It was agreed that the PPV team would discuss these cases and provide further explanation. In response to the second query regarding scheduling of revisits, Members heard that this issue is being considered by the PPV team. Various improvements to make PPV more proactive are being debated and will be discussed with the UHB. These will include use of trend analysis/data in order to better plan visits. Mrs Hardisty agreed that there is a need for a more proactive approach, highlighting that the UHB is a member of the NWSSP Committee and can provide feedback to this effect. Mrs Hardisty will also raise this issue at the Health Boards Vice Chairs' Group.

Referencing the Statistics section of the report, it was noted that in claim error rate for General Medical Services (GMS), Hywel Dda UHB is above the All Wales average. Mrs Hardisty enquired whether there is an expectation that the UHB provides assurance that it will seek to improve this position going forward. In response, Mr Lavender highlighted that Hywel Dda UHB is below the All Wales average for claim error rates in General Pharmaceutical Services (GPS) and General Ophthalmic Services (GOS). An Ophthalmic training event had been delivered in January 2020, which had been well received, and the team are planning similar events for GPs. Experience suggests that practices often request one-on-one training following plenary sessions. Mr Newman noted that the sample size for each enhanced service is 22 and enquired how this data is extrapolated to provide a sense of the wider potential numbers. Members were informed that there is a 10% error rate threshold which, when reached, triggers a revisit. Mr Newman felt that 10% is fairly high, and that extrapolation of this may suggest significant levels of overpayments. Members were assured that the PPV team have strong links with Counter Fraud and Primary Care teams, and undertake regular discussions with both, reviewing reports in detail. Members' concerns were, however, acknowledged. Mr Newman reminded Members of previous discussions around some form of

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	<p>escalation process, and requested an update on whether this has been taken forward. Mr Thomas explained that escalation of issues would be via the Primary Care team, with any activity which raised concerns highlighted to Counter Fraud. He was not aware of any such referrals.</p> <p>Mr Newman felt that it is challenging for the Committee to draw robust conclusions with PPV work currently paused. It was suggested that Mr Thomas and Mr Lavender discuss the concerns raised with NWSSP, and it was agreed that the Director of Primary Care, Community & Long Term Care should be invited to attend for the next discussion of PPV.</p> <p><i>Mr Lavender, Ms Legge and Ms Tillman left the Committee meeting.</i></p> <p>The Committee NOTED the Post Payment Verification (PPV) End of Year report.</p>	<p>HT/SL</p> <p>CM</p>
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AC(20)153	<p>Audit Wales Update</p> <p>Ms Anne Beegan provided a verbal update on Audit Wales' work, advising that formal written update reports are to be reinstated in time for the next meeting. Mr Jeremy Saunders reported that he is liaising with the Finance team in relation to the Charitable Funds audit, which is due to be finalised in October 2020. In terms of Performance Audit, Ms Beegan advised that the Structured Assessment report for 2020 is due to be issued this week, and that a session to discuss this with Board Members will be arranged with the Board Secretary. The outcome of Audit Wales' work around Counter Fraud is presented as the next agenda item. The planned work on Quality & Safety required access to clinical sites, which is not currently possible due to COVID-19; therefore, the focus of this work will be modified. The scope of the Orthopaedics Follow-up review will also be changed, to focus on COVID-19 recovery and link with the national review of this topic. Health Board Chairs and Chief Executives have now been surveyed as part of fieldwork for the Welsh Health Specialised Services Committee (WHSSC) review, which was almost complete prior to the pandemic. Audit Wales plan to conduct a short, focused review of the impact of COVID-19 on Unscheduled Care, and a rapid review of Test, Trace, Protect. The remainder of the Performance Audit work programme has been deferred until next year. Local work in relation to Referral to Treatment has also been temporarily put on hold.</p> <p>The Committee NOTED the Audit Wales Update.</p>	
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AC(20)154	<p>Audit Wales Counter Fraud</p> <p>Ms Beegan introduced the national, pan-Public Sector Counter Fraud report, 'Raising Our Game - Tackling Fraud in Wales', explaining that work was additionally conducted within each public sector body, including Hywel Dda UHB, contributing to a local report, which is also presented. In general, findings suggest that Counter Fraud measures within NHS bodies are more developed. Specific findings include the need for resources to adequately reflect risks; the need for improved evaluation of fraud risks; a suggestion of increased/enhanced use of data analytics and the sharing of fraud information, both within and across sectors. The only additional finding highlighted in the local report was in regard to the relatively low numbers of staff receiving counter</p>	
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	<p>fraud training, and whether there is scope for this to be made mandatory.</p> <p>In regards to the final comment, Mr Newman suggested that consideration be given to whether counter fraud training is mandated for the entire workforce, or whether it is targeted to areas deemed higher risk. Noting Recommendation 15 in the national report, that Audit committees become fully engaged with counter fraud, and the fact that this is not highlighted in the local report, Mr Newman enquired whether it can be surmised from this that the UHB are already meeting this requirement. In response, Ms Beegan advised that Hywel Dda UHB are one of the few organisations in which counter fraud issues are discussed during a public session of their Audit Committee, rather than a private session. Mrs Hardisty reminded Members that ICF and Transformation Funds are allocated via the Regional Partnership Boards (RPBs), and queried whether there is a need for a cross-organisational approach to ensure robust financial governance. Ms Beegan stated that this had not been raised as a specific issue of concern. However, counter fraud in this respect is an extremely specific area; the issue of broader governance arrangements has been raised with WG. It is likely that RPBs will be the topic of a future review. Whilst reminding Members that RPBs do not contract services or employ staff, and are reliant on host organisations for these functions, Mr Thomas suggested that it would be useful to conduct a risk assessment of RPBs.</p> <p>Noting the statement on page 11 of the local report that ‘the Health Board indicated that there is scope to make greater use of intelligence sharing with local authorities’, Cllr. Hancock enquired as to potential areas for this and whether they will include procurement, for example. Ms Beegan advised that the scope is limited to the National Fraud Initiative (NFI), with Mr Thomas emphasising that the NFI is a thorough, robust process, which would highlight issues not identified through other means. With regards to the local issue of mandatory counter fraud training via an e-learning package, Mr Ben Rees advised that the request to consider this has been resubmitted and is being reviewed. Should it be agreed, the Counter Fraud team would be seeking to introduce this requirement as soon as possible. Ideally, this training would be mandatory for all staff; however, if this proves unfeasible, it would be targeted towards managers and core staff. In regards to recommendations 2 and 3, it was noted that the UHB’s Counter Fraud resource levels are slightly above the All Wales average. However, Mr Thomas felt that this presents a useful opportunity for Mr Rees to research and present findings regarding best practice, including capacity, to a future meeting. It was also suggested that in future Counter Fraud reports, any instances of information sharing with Local Authority partners should be highlighted. Aside from the above comments, Members were assured that the Director of Finance does not have any concerns regarding the findings/recommendations highlighted in the local report.</p> <p><i>Mr Rees left the Committee meeting.</i></p> <p>The Committee NOTED the national and local Audit Wales Counter Fraud reports.</p>	<p>BR</p> <p>BR</p>
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AC(20)155	<p>Structured Assessment 2019 – Progress to Date</p> <p>Mrs Wilson presented the Structured Assessment 2019 report, which provides an update on progress to date. Recommendations from the Structured Assessment for 2020 will be added once this has been published and agreed. Progress on 2019 recommendations is detailed within the report. With regards to the outstanding recommendations from 2018, Mr Thomas has taken the lead on the Performance Management Framework in Mrs Karen Miles' absence. Whilst there are currently no formal performance management reviews taking place, the Director of Finance and Director of Operations have begun a series of system engagement meetings, which have replaced the previous Turnaround meetings. These are challenging, however, in the absence of clearly defined organisational objectives which are also crucial to the development and ongoing implementation of an effective Performance Management Framework. The COVID-19 Command Structure has enabled a clear focus/line of sight, and this benchmark needs to be continued and broadened going forward. Members noted that a number of governance reviews have taken or are taking place: Audit Wales' Structured Assessment, Internal Audit's Governance Review and the KPMG review. Mrs Wilson suggested that it might be appropriate to consider these alongside each other at the next meeting, and it was agreed that this would be a sensible approach.</p> <p>The Committee CONSIDERED progress made in respect of the recommendations from the Structured Assessment 2018 and 2019, and NOTED the recommendations implemented to date.</p>	<p>CM</p>
AC(20)156	<p>Audit Wales Integrated Care Fund (ICF) Review Update</p> <p><i>Ms Anna Bird joined the Committee meeting.</i></p> <p>Ms Anna Bird introduced the Audit Wales Integrated Care Fund (ICF) Review Update report, which had been prepared jointly with Mr Martyn Palfreman. The report includes confirmation of the ICF expenditure plan, which had been presented to the RPB in July 2020.</p> <p>In response to a query from Mr Newman regarding the redirection of ICF monies to support COVID-19 measures, which had been reinstated by WG, Ms Bird confirmed that ICF capital had been diverted to support establishment of the Field Hospitals. The WG funding since received will now allow continuation of the ICF capital programme as previously planned. Mr Thomas advised that the decision to pause the ICF capital programme was made in collaboration with Mr Palfreman. Mrs Hardisty had attended the RPB in July and was able to confirm this, together with approval of the ICF expenditure plan. Noting reference to the 13% investment in 'social value organisations', Mr Burt enquired why the 20% WG target had not been achieved. Mrs Hardisty explained that part of the reason is that a number of Third Sector organisation are not appropriately equipped to receive funding directly. Members were assured that Third Sector organisation are also involved in various other projects, albeit not directly in receipt of funds. In response to a query regarding use of the terminology 'social value organisations' as opposed to 'Third Sector organisations', it was noted that this is a WG definition rather than a local definition.</p>	

	<p>Noting the Revenue Investment Plan, Mr Davies enquired regarding the length of WG's commitment in this regard, noting that revenue investment often involves staff. Ms Bird advised that ICF funding is short-term and limited, although this is being discussed with WG. The RPB will need to plan for the ongoing resource of any ICF project which is to be continued, hence the intended evaluation of projects. There will need to be plans in place to ensure sustainability of suitable projects in the long-term. Mr Davies enquired whether this may involve a draw on UHB funds, and was informed that this would need to be discussed by the UHB and Local Authority partners. Mrs Hardisty confirmed that ICF funding is due to cease on 31st March 2021, although there have been representations to the Minister for Health & Social Services to extend ICF and Transformation Fund funding due to the impact of COVID-19. It will be important, however, to feed the outcome in terms of funding into the UHB's financial plan. There will also need to be decisions across the organisation regarding which projects are sustained and funded, and a transitional period will be required. This is recognised by the RPB, and needs to be recognised by the UHB. Cllr. Hancock noted reference to 'strategic evaluation of the key models' being commissioned, and suggested that there had been a WG announcement on 24th August 2020 that ICF funds were being extended. Projects relating to Rapid Discharge and Hospital Avoidance had been held up as exemplars as part of this announcement.</p> <p>Several Members were unsure why the accompanying appendices were marked as confidential. Ms Bird advised that it had been agreed that the appendices would not be published. It was noted that there did not appear to be anything confidential in the report, and that these paper had been shared with RPB members. Mrs Wilson noted that she was comfortable with the papers being made available publically and would discuss this matter with Martin Palfreman. Mr Thomas endorsed Members' comments and queries regarding the duration of funding and the need for an exit strategy, advising that KPMG has been commissioned to undertake a review/evaluation of all Transformation Fund schemes.</p> <p>Mr Newman welcomed the report in terms of the update provided, whilst suggesting that the governance arrangements in place cannot necessarily be described as robust, and that the recommendation be amended accordingly. It was also suggested that the issue of non-publication of the appendices indicated a need for discussion around RPB papers being made publicly available.</p> <p><i>Ms Bird left the Committee meeting.</i></p> <p>The Committee was ASSURED that governance arrangements are in place for monitoring the Integrated Care Fund revenue investment plan 2020-21.</p>	
AC(20)157	<p>Internal Audit Plan Progress Report</p> <p>Mr James Johns presented the Internal Audit (IA) Plan Progress report, which summarises the current position, outcomes, and provides an update on the IA Plan 2020/21. A number of IA reports have been finalised since the previous meeting, and others have been issued as drafts. The overall IA Plan is set out in Appendix A. The IA on</p>	

	<p>governance during COVID-19 is coming to an end, with a feedback session with the Board Secretary having taken place at the end of last week. The findings of this audit are, on the whole, positive. Members noted that the format of this report will be different, as it is an advisory report. There will be suggestions, rather than formal recommendations. Mr Johns advised that there have been further discussions regarding the content of the IA Plan, with a number of audits deferred and other work being brought forward/added. The Committee is asked to consider the resulting updates to the Plan. In response to a request at the previous meeting, a table will be included in future IA reports which details any slippage in IA work; an example is included for information.</p> <p>Referencing page 6 of the report, Mrs Hardisty noted that the Executive Lead for the Transformation Steering Group is the Chief Executive. Having conducted a basic calculation with regards to scheduling of IA reports, Mrs Hardisty was concerned that 10 reports are due to be presented to ARAC in October 2020. Also, if any slippage occurs later in the year, there is likely to be a repeat of the situation this year, with a large backlog of reports for ARAC to consider. Mr Johns assured Members that previous comments have been taken on board, that the Plan has been prepared with full consideration of resources, and that the IA team has tried to avoid 'back-loading' audits towards the end of the year. A number of the audits due to report in October are already well advanced. Mr Newman suggested that comments reinforce the need to adhere to the plan, without unnecessary slippage. Members were reminded that Audit Wales and Internal Audit have been working together in relation to their governance reviews, and heard that the messages from these are broadly similar.</p> <p>The Committee CONSIDERED the Internal Audit Progress Report, the assurance available from the finalised Internal Audit reports and APPROVED the proposed updates to the plan.</p>	JJ
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AC(20)158	<p>Business Continuity (Reasonable Assurance)</p> <p><i>Mrs Ros Jervis and Ms Sam Hussell joined the Committee meeting.</i></p> <p>Mr Johns introduced the Business Continuity report, advising that this was a 2019/20 audit, unfortunately finalised too late to be considered at the June 2020 meeting. The audit had identified various areas for improvement and six medium level recommendations, resulting in an overall rating of Reasonable Assurance.</p> <p>Mrs Ros Jervis noted the timely nature of this report, in view of the current COVID-19 pandemic and following on from Brexit. An overview of the team was provided, with Members noting this is a particularly demanding time, involving planning, execution and testing, and various WG requirements. There is also the wider issue of future Business Continuity, out with the immediate COVID-19 crisis. The team is seeking to comply with the recommendations within the prescribed timescale, and all are in train. There is a fundamental issue around ownership, with directorates and services being responsible for ensuring that established Business Continuity plans are embedded; and Mrs Jervis' team being responsible for oversight and support. There are 153 Business Continuity plans in place across the organisation, with a number under review. There are 3 areas with no plan; with escalation</p>	
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	<p>processes in place, this will be addressed. Mrs Jervis suggested that Business Continuity becoming routinely embedded in the organisation represents a positive step change achieved, and hoped that this improvement would continue.</p> <p>Noting the 153 plans in place, Mr Newman enquired how this equates to the total number of directorates/departments/services. In response, Mrs Jervis indicated that the number of services is constantly changing, and suggested that the proportion of the organisation with Business Continuity plans in place would be easier to identify. Mrs Hardisty noted that the scope of the audit focused on adequacy of systems and controls, and felt that there is less assurance in terms of managerial and directorial responsibility in regards to Business Continuity. It was suggested that targeted messaging may be required, to ensure that this is given a higher profile. In addition, Brexit is imminent and further planning and preparation is required for this.</p> <p>Referencing Finding 4, which identifies that Business Impact Analyses and Risk Identification exercises had not been completed for 8 of the 20 directorates/services/departments sampled, Mr Thomas, whose directorate was one of those listed, expressed concern that he had not been advised of this finding prior to the report's publication. Whilst the Finance directorate rely heavily on the Shared Services Business Continuity plan, Mr Thomas recognised that local plans are also required.</p> <p><i>Mrs Jervis and Ms Hussell left the Committee meeting.</i></p> <p>The Committee NOTED the Business Continuity (Reasonable Assurance) report.</p>	RJ/SH
AC(20)159	<p>Standards of Behaviour (Reasonable Assurance)</p> <p>Mr Johns introduced the Standards of Behaviour report, advising that the audit had identified that adequate processes were in place and that a register of interests is in place. Three medium level recommendations had been made, with an overall assurance rating of Reasonable Assurance awarded.</p> <p>With regards to Recommendation 1, Mrs Wilson advised that this policy has been amended and the revised version is online. Work is ongoing to migrate declaration of interests to the Electronic Staff Record (ESR) system, which will address Recommendation 2. Finding 3 was not supported, as a full audit trail exists; however there is not currently capacity within the Corporate Governance team to process the forms. This issue is not considered a significant risk.</p> <p>The Committee NOTED the Standards of Behaviour (Reasonable Assurance) report.</p>	
AC(20)160	<p>Environmental Sustainability Reporting (Substantial Assurance)</p> <p><i>Mr Andrew Carruthers and Mr Paul Williams joined the Committee meeting.</i></p> <p>Mr Johns introduced the Environmental Sustainability Reporting report, advising that this is an annual audit to assess whether there are</p>	

	<p>systems in place to enable reporting in line with WG guidance. Only one low priority recommendation had been made, resulting in an overall rating of Substantial Assurance.</p> <p>There were no queries regarding this report.</p> <p>Mr Andrew Carruthers was advised of earlier discussions arising from the Table of Actions. In response to concerns around the Radiology Gantt chart, Mr Carruthers acknowledged that this matter has not been a top priority, due to COVID-19 pressures. Whilst there have been discussions at a clinical level, there is a need to revisit actions and timescales. A revised/updated Gantt chart will be provided for the next meeting. Mr Carruthers was also informed of concerns regarding the update on posts for Radiology students, and committed to provide a further update for the next meeting. Finally, there was a request for greater clarity around the revised Variable Pay management response, with an assurance that the timescales therein will be met. Mr Carruthers agreed to provide this for the next meeting.</p> <p><i>Mr Carruthers and Mr Williams left the Committee meeting.</i></p>	<p>AC</p> <p>AC</p> <p>AC</p>
	The Committee NOTED the Environmental Sustainability Reporting (Substantial Assurance) report.	

AC(20)161	Charitable Funds (Substantial Assurance)	
	<p><i>Mrs Mandy Rayani and Dr Philip Kloer joined the Committee meeting.</i></p> <p>Mr Johns introduced the Charitable Funds report, which had provided assurance that adequate arrangements are in place, including those around charitable donations/activity relating to COVID-19. One medium priority recommendation had been made, and an overall rating of Substantial Assurance awarded.</p> <p>Mrs Mandy Rayani advised that Charitable Funds has only recently been added to her portfolio; however, she is satisfied that this area has a strong platform upon which to build and progress. The Chair of the Charitable Funds Committee, Cllr. Hancock, welcomed the report and praised the work of the Charitable Funds team, particularly during the COVID-19 pandemic. The effective working partnership with members of the Finance team was also commended. Mr Lewis noted that the audit's scope is limited to donations via Charitable Funds and the Charitable Funds Committee, and queried how other donations, gifts and fundraising is monitored. Omission may lead to risks regarding the governance of such items. Mrs Rayani acknowledged this concern, noting that there are risks involved with local fundraising campaigns, etc. Staff need to be regularly reminded about the requirements for handling donations and how to discuss these. Mr Thomas agreed that there are inherent challenges around local fundraising events, campaigns, etc and that the UHB relies on the organisers to comply with financial governance. If there were any issues in terms of honesty, these would be referred to Counter Fraud, although Mr Thomas was not aware of any such instances. There have, in some Health Boards, been cases of services/wards setting up their own bank account for fundraising income; again, Mr Thomas was not aware of any in the UHB. If there are, governance around these would be managed via the</p>	

	route suggested by Mrs Rayani, ie ensuring staff are adequately and regularly informed of the required protocols.	
	The Committee NOTED the Charitable Funds (Substantial Assurance) report.	

AC(20)162	<p>Research & Development Department Governance Review Update</p> <p><i>Dr Caroline Williams joined the Committee meeting.</i></p> <p>Dr Philip Kloer presented the Research & Development (R&D) Department Governance Review Update report, which – together with the accompanying appendices – is intended to provide context in terms of R&D activity, including their contribution during COVID-19. Dr Kloer felt that the latter in particular is a credit to the R&D and clinical teams involved. Members were informed that a follow-up Internal Audit is being conducted, with the outcome report expected imminently. It was also noted that a paper outlining plans to restart non COVID-19 R&D activity had been presented to the Quality, Safety & Experience Assurance Committee (QSEAC) on 13th August 2020, which had been well-received. Dr Kloer advised that the current Director of R&D is an interim appointment, and that he had recently met with Health and Care Research Wales (HaCRW – which funds this role) to explore options regarding the substantive appointment. HaCRW are open to a creative approach to this role, and Dr Kloer will work with the Director of Workforce & OD to ensure that all the requisite elements are incorporated. It is hoped that an appointment will be made within the next two months. Finally, Dr Kloer reported that he has agreed to take over as Chair of the R&D Sub-Committee.</p> <p>With regards to the follow-up audit, Mr Johns advised that this is close to finalisation, with feedback suggesting positive progress in terms of addressing the previous report's recommendations, and an improved position. The follow-up report is due to be presented to the October 2020 ARAC meeting. Mrs Hardisty welcomed the update, particularly in view of the findings of the previous IA report. Noting reference to fragility in service delivery arrangements impacting negatively on research, Mrs Hardisty enquired whether there are links between Job Planning, Performance Appraisal and Development Review (PADR) and R&D. During consultant appointment panels, candidates are expected to indicate whether they participate in R&D, and Mrs Hardisty queried whether this is followed-up on appointment. Whilst Dr Kloer confirmed that R&D does form part of the consultant recruitment process and forms part of the decision-making, undertaking R&D is not an essential criteria for consultant posts. The UHB does, however, seek to accommodate the specific R&D interests of new consultants. One limitation is research space, particularly at Glangwili General Hospital. The UHB is considering potential options and solutions. In regards to fragile services specifically, there are certain services where time for research is difficult to protect. It is possible, however, to allow 1-2 Supporting Professional Activities (SPAs) for this as part of Job Plans. The more challenging situations are where individuals request more protracted periods away from clinical work for R&D activities, as cover is not necessarily readily available. Mrs Rayani was delighted to report the appointment of Professor Sharon Williams, who offers a wealth of experience in quality improvement and who it is hoped will contribute to</p>	
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	<p>the development of nurse professionals within Hywel Dda. Members heard that the organisation is considering how R&D is 'mainstreamed', with a recognition that alongside 'pure research' sits service evaluation.</p> <p>Mr Newman requested an update on the review of the role of R&D Directors, commissioned by HaCRW, mentioned in the report. Dr Kloer was not aware that this had been concluded as yet, advising that part of this review centres on the continued funding of R&D Director roles by HaCRW. The review outcome is due to be considered at a future meeting of Health Board Medical Directors. Noting this update, Mr Newman enquired whether the risk to funding will jeopardise the UHB's plans in terms of R&D leadership. Dr Kloer assured Members that this will not be the case and that contingencies are in place to facilitate the recruitment of a substantive R&D director. In response to a query around the current relationship and interaction with local universities, in view of recent changes to governance arrangements, Members heard that responsibility for University Partnership will transfer to Dr Kloer when the Director of Partnerships & Corporate Services post ends. Consideration is being given to future arrangements, with Dr Kloer, Dr Leighton Phillips and Professor John Gammon having recently met to develop plans which will be put in place over the next 12 months. WG have recently written to the UHB, indicating that they intend to reinstate work relating to the triennial review of University Health Board status, with an initial meeting date set for September 2020. Members noted that it will be crucial for the organisation to ensure it provides the necessary documentary evidence in order to maintain its University Health Board status.</p> <p>Mr Newman thanked Dr Kloer, Dr Phillips and Dr Williams for their comprehensive and useful report and looked forward to receiving the follow-up IA report at the next meeting.</p> <p><i>Dr Williams left the Committee meeting.</i></p> <p>The Committee TOOK ASSURANCE that actions have been taken to adequately address the issues and recommendations made through the audit process.</p>	
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AC(20)163	<p>Clinical Audit Update</p> <p>Mrs Rayani introduced the Clinical Audit Update, explaining that it has not been possible to prepare an Annual Report due to COVID-19 pressures, with almost all Clinical Audit staff deployed into the Command Centre. Despite this, there is ongoing clinical audit activity, including national audits, and the intention is to include data from this year in next year's Annual Report. Mrs Rayani thanked the Clinical Audit team and operational teams for their efforts in maintaining the clinical audit activity which is taking place. The Clinical Audit Scrutiny Panel (CASP) continues to meet bi-monthly, and risks are mitigated predominantly via Datix. WG has written to Health Boards instructing them to restart incident reporting, although the UHB had continued this during the pandemic. The UHB has also participated in COVID-19 related audit activity, with Mrs Rayani emphasising that the organisation has undertaken more than was required of it during the pandemic. It is anticipated that the Clinical Audit Manager and other staff will be released from the Command Centre towards the end of September</p>	
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	<p>2020. A letter has been issued to operational teams requesting that they consider which audit activities from the 2020/21 programme they will prioritise during the final part of the year. Dr Kloer advised that the WG communication regarding incident reporting also suggested that Health Boards restart mortality audits which, again, the UHB had continued during the pandemic. Hywel Dda UHB is due to be the first region to introduce the new medical examiners service, and it was deemed sensible to avoid having to relaunch mortality audits at the same time. Despite being beyond what was mandated, Dr Kloer was satisfied that the UHB had made the correct decision in continuing these activities during the pandemic.</p> <p>Whilst understanding the reasons for reduced clinical audit activity, Mr Lewis enquired whether there are consequences in terms of risk to the organisation or patients, and how these are being mitigated. Reiterating that the UHB has undertaken more activity than required, it was further emphasised that clinical audit is just one mechanism and that other systems and reporting, such as those relating to serious incidents and never events, have been utilised. It was, however, acknowledged that more detailed consideration of mitigations is needed. Members heard that the organisation has endeavoured to ensure that as much assurance activity around patient safety has continued as possible. Noting reference to vacancies within the Clinical Audit team, Cllr. Hancock enquired whether this is a concern and whether it is likely to be difficult to recruit replacements. Mrs Rayani did not feel that this would be an issue, and suggested that the deployment of staff to other areas may have offered them experience which will benefit the Clinical Audit team on their return.</p> <p>Mr Newman thanked Mrs Rayani and the Clinical Audit team for the useful update on the current position, noting that COVID-19 has impacted on every aspect of UHB work. It was agreed that the suspension of clinical audit work, and potential impact on quality and safety, including patient safety, should be highlighted to Board.</p> <p>With reference to the Structured Assessment 2019 report, Mrs Rayani noted that an action attributed to her (Recommendation 3, Action 6) was outstanding. Members were advised that discussions had now taken place regarding the EQIIP (Enabling Quality Improvement in Practice) programme and how/when Quality Improvement work should be restarted, likely to be towards the end of the year. Mrs Rayani would discuss with the Board Secretary whether a QI session could be incorporated into a Board Seminar session, and would provide a further update as part of the next Structured Assessment progress report.</p> <p><i>Dr Kloer and Mrs Rayani left the Committee meeting.</i></p>	<p>PN/JW</p> <p>MR</p>
	<p>The Committee:</p> <ul style="list-style-type: none"> • DISCUSSED the reduction in clinical audit activity during the COVID-19 outbreak and the impacts highlighted; • NOTED the decision from Welsh Government to suspend all audit data collection and the continuing suspension; • NOTED the focus of resources on the National COVID-19 Audit; • NOTED the decision to combine the 2019/20 and 2020/21 clinical audit programmes into one report in 2021; 	

	<ul style="list-style-type: none"> • NOTED the continuation of some key assurance-related audit work through CASP, and future meetings to plan and agree an improved approach for the future. 	
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AC(20)164	<p>Audit Tracker</p> <p>Mrs Wilson presented the Audit Tracker report, which provides a progress update in relation to the implementation of recommendations from audit and inspection. Page 2 of the SBAR details the work which has been progressed since the previous meeting, which includes an escalation process to Executive Directors; a rolling programme of update requests in the absence of performance reviews; and work with services to address risks from non-delivery of recommendations. The tables on pages 2 and 3 provide a summary update against the high priority recommendations. Appendix 2 provides a list of other recommendations which still need to be implemented. As detailed within the paper, there are 39 recommendations which do not have a revised timescale, with these being followed up by the services. In terms of the Tracker, 27 reports have been closed, with 16 new reports received. There are currently 124 reports open, with 95 exceeding their completion date, and 202 recommendations, 80 of these now beyond six months. The paper also provides an update on the Strategic Log. Mrs Wilson advised that she and the Assurance and Risk Officer have examined the list of reports and have identified a number which the Chair of ARAC may wish to consider for scrutiny at a future meeting.</p> <p>Mr Newman suggested that Health & Safety and Fire Safety are of particular concern, although it was noted that these are being progressed and managed by the Director of Nursing, Quality & Experience and the Director of Operations and via the Health & Safety Assurance Committee.</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. 	
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AC(20)165	<p>Counter Fraud Update</p> <p><i>Mr Rees re-joined the Committee meeting.</i></p> <p>Mr Rees presented the Counter Fraud Update report, drawing Members' attention to the ongoing contribution of Counter Fraud to the UHB's Induction programme. With regard to earlier discussions regarding mandating Counter Fraud training for all staff or targeted groups, Mr Rees advised that he had now spoken to the Director of Workforce & OD, and that a meeting to discuss this issue has been scheduled. The Summer Edition of the Counter Fraud Newsletter has been published, and awareness material regarding Counter Fraud and online crime circulated. Work relating to variable pay has commenced and work with the Estates department continues. Release of the Counter Fraud Service Wales report detailing national statistics has</p>	
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	<p>been delayed; this will be submitted to the next meeting. In terms of Counter Fraud team development, a new member of staff has been appointed to replace Mr Rees as Local Counter Fraud Specialist. It is hoped that this individual will join the team within the next month.</p> <p>The Committee NOTED the Counter Fraud Update report.</p>	
AC(20)166	Audit & Risk Assurance Committee Work Programme 2020/21	
	The Committee NOTED the ARAC Work Programme.	
AC(20)167	Any Other Business	
	There was no other business reported.	
AC(20)168	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"> • A lack of assurance around progress on Radiology issues, with a request that this be revisited, the Gantt chart be reviewed and an update provided on shift pattern impact on posts for Radiology students; • A lack of assurance around variable pay issues in Pathology, with a request that this be revisited and a further update provided; • The Committee received the Financial Assurance Report and approved the losses and special payments therein, noting that a scrutiny process is in place for these prior to submission to ARAC; • The Committee received the PPV end of year report and recognised the need to be more proactive in this area, with the Director of Finance to discuss with Shared Services, and the Director of Primary Care, Community & Long Term Care to attend for future PPV discussions; • An update was provided by Audit Wales on Finance and Performance Audit work, with the Committee noting that an extraordinary Board session to consider the Structured Assessment 2020 is planned; • The Committee received national and local Audit Wales reports in relation to tackling fraud. Concerns regarding RPB governance arrangements were noted; • A progress update on outstanding actions from the Structured Assessments 2018 and 2019 was received, with particular reference to the revised performance management framework; • The Committee received an update on the Audit Wales ICF Review, highlighting in particular revenue plans. Financial governance arrangements are in place, which will be reviewed in due course. The need for robust exit strategies for short-term funding such as ICF was noted; • A progress update regarding the IA Plan was received, together with proposed amendments to the Plan, which were approved by the Committee. The importance of audits being delivered in accordance with the revised timescales and approved amended plan was emphasised and recognised; 	

	<ul style="list-style-type: none"> • The Committee received an IA report on Business Continuity, with progress towards recommendations noted. Clarification was requested regarding the proportion of the organisation with Business Continuity plans in place. The importance of ensuring that managers and directors appreciate the need for Business Continuity Plans was emphasised; • The Committee also received IA reports on Standards of Behaviour, Environmental Sustainability Reporting and Charitable Funds; • An update regarding R&D was provided, with the Committee noting that initial feedback from the follow-up IA suggests a positive position in comparison to the previous audit; • The Committee received an update on Clinical Audit, which highlighted the work being undertaken, with recognition that clinical audit staff had been deployed to the COVID-19 Command Centre. It was noted that incident reporting and mortality audits had been continued throughout the pandemic, in surfeit of WG requirements. The Committee agreed that the impact of COVID-19 on clinical audit and potential consequences in terms of quality and safety and patient safety should be highlighted to the Board; • A report in relation to the Audit Tracker was received and the position noted; • An update on Counter Fraud work was provided. 	
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AC(20)169	Date and Time of Next Meeting	
	9.30am, 20 th October 2020, Boardroom, Corporate Offices, Ystwyth Building, St David's Park, Carmarthen	