

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

Date and Time of Meeting:	1.30pm, 5 th May 2022
Venue:	Boardroom, Corporate Offices, Ystwyth Building, St David's Park, Carmarthen and via MS Teams

Present:	Mr Paul Newman, Independent Member (Committee Chair) (VC) Mr Winston Weir, Independent Member (Committee Vice-Chair) (VC) Mr Maynard Davies, Independent Member (VC) 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) Ms Sophie Corbett, Deputy Head of Internal Audit, NWSSP (VC) (part) Mr Eifion Jones, Internal Audit, NWSSP (VC) (part) Mrs Joanne Wilson, Board Secretary (VC) Mr Huw Thomas, Director of Finance (VC) (part) Mrs Charlotte Beare, Assistant Director of Assurance & Risk (VC) Mrs Mandy Rayani, Director of Nursing, Quality & Patient Experience (VC) (part) Ms Sharon Daniel, Assistant Director of Nursing (part) Ms Chris Hayes, Nurse Staffing Programme Lead (VC) (part) Mr Tim Harrison, Head of Health, Safety & Security (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(22)83	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"> • Professor John Gammon, Independent Member • Mr Simon Cookson, Director of Audit & Assurance, NWSSP • Ms Liz Carroll, Director of Mental Health & Learning Disabilities 	
AC(22)84	Declaration of Interests	
	No declarations of interest were made.	
AC(22)85	Internal Audit Plan Progress Report	
	Mr James Johns presented the Internal Audit (IA) Plan Progress report, highlighting the audits finalised since the previous meeting, which are detailed in the table within Section 2 of the report. Section 3 provides a brief update on delivery of the Internal Audit Plan, with all but one audit completed. The Head of Internal Audit Opinion and Annual Report is also mentioned; this appears as a separate, later, agenda item.	

	The Committee NOTED progress with delivery of the plan for the current year and the assurance available from the finalised Internal Audit reports.	
AC(22)86	Risk Management & Board Assurance Framework	
	DEFERRED to 9 th June 2022	
AC(22)87	Infection Prevention & Control (Reasonable Assurance)	
	<p><i>Mrs Mandy Rayani and Ms Sharon Daniel joined the Committee meeting.</i></p> <p>Ms Sophie Corbett introduced the Infection Prevention & Control report, based on an audit to review the arrangements in place to manage the risks relating to Infection Prevention & Control, including compliance with social distancing and PPE requirements. Visits had been conducted, to various acute and community hospital sites. One medium priority Matter Arising, around maintaining standards of hygiene, PPE requirements & social distancing, had been identified. One low priority Matter Arising had been raised, with regards to steering group terms of reference not having been reviewed. This had resulted in an overall rating of Reasonable Assurance. Mrs Mandy Rayani stated that, whilst she was always disappointed with anything less than a Substantial Assurance rating, given the audit scope and size of the workforce, the findings were probably to be expected. Members were assured that the issues identified had been addressed immediately. In addition – and not detailed in the management response – contact has been made with the UHB’s hygiene equipment supplier to ensure that all equipment, products, etc are fully available and operational. Mrs Rayani advised that, with regard to the findings around an isolation poster outside a side room, the individual in this room was not infectious; the poster had been left up in error.</p> <p>Referencing paragraph 2.5, Mr Newman enquired whether contingency plans were in place, should there be insufficient side rooms available to accommodate patients requiring isolation. Mrs Rayani explained that the situation occasionally arises whereby demand is greater than capacity. In such an instance, the UHB may cohort patients who are similarly infected. The organisation has purchased a number of Ready Rooms or ‘pods’, which are portable isolation facilities, together with air purifiers; the latter are particularly useful should it become necessary to cohort patients. There is no easy or quick solution for lack of space; however the UHB takes all possible steps to mitigate risk/identify contingency plans. Ms Sharon Daniel advised that a case management/ surveillance system is in place, which automatically alerts the Infection Control team, prompting discussions with the relevant ward, completion of a risk assessment and implementation of appropriate mitigations.</p> <p>The Committee NOTED the Infection Prevention & Control (Reasonable Assurance) report.</p>	
AC(22)88	Nurse Staffing Act (Reasonable Assurance)	
	<i>Ms Chris Hayes joined the Committee meeting.</i>	

	<p>Ms Corbett introduced the Nurse Staffing Act report, outlining the findings of an audit to evaluate and determine the adequacy of the systems and controls in place for ensuring compliance with the Nurse Staffing Level (Wales) Act (NSLWA). Two medium priority and two low priority Matters Arising had been identified, resulting in an overall rating of Reasonable Assurance. With regard to Matter Arising 1, Mrs Rayani assured Members that she does, as Designated Person, personally review and agree the nurse staffing levels for every ward subject to the Act. However, following the audit, steps are being taken to develop a standardised template for this process, which will provide evidence of her review/approval/signature as Designated Person. In order to offer additional assurance around Matter Arising 2, frequency of reporting, an alternative mechanism for authorising calculations/finances/rostering is being discussed.</p> <p>Mr Newman noted reference in paragraph 2.27 to the Safecare software system and enquired regarding the implementation timescale. In response, Ms Chris Hayes advised that Safecare is a module within the Allocate rostering system. Health Boards are awaiting an update of this system to incorporate NSLWA requirements; it is anticipated that the update will be provided by July/August 2022. Subject to this, the roll-out to acute sites will take place from autumn 2022 to the end of 2023. Mrs Rayani emphasised that the Safecare development is outwith the UHB's control; whilst it is utilised in NHS England, that version does not reflect the NSLWA and the 'nuances' required for Welsh Government reporting. Implementation of the system should remove a significant amount of manual activity which has been required up until now, and facilitate increased 'live' reporting.</p> <p><i>Ms Chris Hayes left the Committee meeting.</i></p> <p>The Committee NOTED the Nurse Staffing Act (Reasonable Assurance) report.</p>	
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<p>AC(22)89</p>	<p>Prevention of Self Harm (Limited Assurance)</p> <p><i>Mr Andrew Carruthers and Mr Tim Harrison joined the Committee meeting.</i></p> <p>Ms Corbett introduced the Prevention of Self Harm report, based on an audit intended to review the arrangements in place for the prevention of self-harm following several improvement actions identified by Healthcare Inspectorate Wales (HIW) to mitigate points of self harm within the UHB. It should be noted that the arrangements in place for recording and monitoring HIW actions through to implementation were robust, and no issues were identified with arrangements for incident monitoring. It is also recognised that it is not possible to manage all points of self harm risks. However, three high priority Matters Arising were identified, and these included the failure to address a number of issues identified in previous audits. As a result, an overall rating of Limited Assurance had been recorded.</p> <p>Mrs Rayani wished to document that she and Ms Liz Carroll, Director of Mental Health & Learning Disabilities (MHLDD), had jointly requested this review, due to ongoing concerns. Within the online Chat, Mrs Joanne Wilson advised that HIW also raised this issue as an area of concern in</p>	
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their Annual Report, which supported the rationale for requesting this review. Members heard that the MHLD team had worked with the Internal Audit team to agree the audit scope. Mrs Rayani stated that, following the audit, a substantial piece of work has been undertaken to review procedural guidance. There had been discussion of whether this should be organisation-wide; however it is felt that the focus/ priority based on risk should be MHLD. The findings of this review have been issued for comment to the MHLD team and are being shared on a national basis. The review has been linked to All Wales work by the Welsh Government Delivery Unit. It was suggested that, in the absence of All Wales guidance, a local policy needs to be put in place. Mrs Rayani expressed some concerns around the Manchester Audit Tool which, despite widespread use, could be regarded as somewhat out of date in terms of context and understanding and provided examples of this. Mrs Rayani felt that understanding individual patient risk is as important as assessing environmental risks. Consideration is being given to alternative audit tools, such as the AMAT tool, which is currently being piloted within HDdUHB. An evaluation will be conducted before it is decided whether to implement this tool more widely. Prevention of self harm will also form part of the Health & Safety audit plan. The Internal Audit has identified a number of areas, which will form the basis of focused work going forward. Mr Tim Harrison advised that the procedural guidance written has been based on a Betsi Cadwaladr UHB policy and has taken into account All Wales guidance from the Delivery Unit. The proposed guidance will be a topic for discussion at the MHLD Policy Control Group on 16th May 2022. It is also being raised at the national Health & Safety Group and Mr Harrison was hopeful that the Delivery Unit may adopt it nationally. Training around prevention of self harm risks is to be included in induction training for managers (in both MHLD and other acute services) going forward.

Referencing paragraph 2.7, Mrs Judith Hardisty noted the findings which suggested audit templates had been duplicated, with only dates being changed. This could amount to a serious allegation of falsification of records, which appears to be challenged in the management response. Mrs Rayani advised that she had queried this with the MHLD team. The relevant documents had been checked and staff consulted. It appears that staff, rather than re-writing the entries, had simply changed the date. Whilst Mrs Rayani did not believe that this amounted to falsification of records, as facilities were reviewed, it was not acceptable, and lessons have been learned. Within the online Chat, and to provide additional assurance, Mr Andrew Carruthers indicated that, those areas identified – when checked – were areas which had not changed in terms of assessment. As stated by Mrs Rayani, staff had taken the 'easier option' of updating the date and the signature. However, as also reported, the Director of MHLD has communicated a strong message that this is not acceptable practice. Mrs Hardisty enquired whether other facilities within the UHB are being reviewed, bearing in mind that potential for self harm is not restricted to individuals in MHLD facilities. Children and young people, for instance, may be vulnerable. Assurances were also requested around compliance within those facilities that the UHB commissions, for example, homes and special units. Mrs Hardisty was aware that visits are made to such facilities; however, noted that not all are newly/recently built. Mrs Rayani emphasised the need to recognise

	<p>that it is impossible to completely eradicate prevention of self harm risks. The priority is to normalise their management within services, via individual patient risk assessments. In terms of commissioned services, for example tertiary services provided by the Welsh Health Specialised Services Committee (WHSSC), there is an expectation that prevention of self harm risk assessments are undertaken routinely, as such facilities are subject to the same standards as the UHB. Referring back to the planned training mentioned earlier, Mr Harrison was conscious that any audit tool utilised will identify many areas in clinical environments outwith MHLD facilities. It will, therefore be necessary to capture within the training for staff outside MHLD the importance of assessing/managing patient risk over environmental.</p> <p>Mr Newman enquired with regard to the number of environmental audits reviewed as part of Internal Audit's fieldwork. Noting the audit template wherein concerns regarding the veracity of information had been identified, Mr Newman queried whether this was an isolated example. In response, Ms Corbett advised that all of the most recent audits for all 8 mental health inpatient sites. There was one audit template in which the narrative had been replicated from the previous year, with only the dates changed, suggesting an isolated incident. There were others, however, which showed evidence of issues not having been addressed since the previous audit. Mr Newman enquired whether there have been any incidents of self harm in recent years which have resulted in medical negligence claims against the organisation. Mrs Rayani advised that there had not; indeed there had been none in the UHB's inpatient facilities for a number of years. There has been one instance of a HDdUHB patient coming to harm within a commissioned facility.</p> <p><i>Mrs Mandy Rayani, Ms Sharon Daniel and Mr Tim Harrison left the Committee meeting.</i></p>	
	<p>The Committee NOTED the Prevention of Self Harm (Limited Assurance) report.</p>	

<p>AC(22)90</p>	<p>Women & Children's Phase 2 (Reasonable Assurance)</p> <p><i>Mr Andrew Carruthers, Mr Rob Elliott and Mr Eifion Jones joined the Committee meeting.</i></p> <p>Mr Eifion Jones introduced the Women & Children's Phase 2 report, based on the follow-up to an audit in April 2021 which had made a number of recommendations and which had returned an overall rating of Limited Assurance. On page 4 of the report appears a summary of the background to the audit, its findings and the method by which the audit opinion/rating has been derived. The Internal Audit team has sought to 'track' the performance of the project over both its entirety and since the previous audit. Delays within the programme to date amount to 137.8 weeks, with only 1.8 weeks in the last 12 months attributable to the UHB. Details of the increasing overspend are presented on page 8 of the report, with the risk provision increasing to £991k, which represents a fair reflection of the uncertainties involved. There have been significant cost challenges as a result of COVID-19, which are now showing a reduction. Page 9 of the report summarises the status of prior audit recommendations, with only one not fully actioned. As noted, it is likely that this will remain open until completion of the project. With</p>	
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regards to contractor performance, advice had been sought from Shared Services. The contractor is now operating at its own cost as a result of delays. There were a number of aspects in terms of managing delays which were not practicable to implement. However, the UHB has managed the impact on the project as best it can, and probably in excess of what could be expected. An assurance rating of Reasonable Assurance reflects these efforts.

Mr Andrew Carruthers thanked Mr Jones for his assessment of the audit findings, which had drawn attention to the most noteworthy elements. The audit and report highlight a number of issues, with which Members are already familiar. It is reassuring to see recognition of the team's efforts 'over and above' what might be expected, together with the context within which they are operating. Mr Rob Elliott also welcomed the balanced audit findings. What is perhaps not reflected fully in the report, however, is the somewhat taxing nature of the UHB's relationship with the contractor. With the project operating at a £2m cost overrun, there are almost constant challenges in an attempt to label items as changes to the contract. The UHB team has been successful to date in resolving these issues, and has sought legal opinions on several. All in all, this results in an extremely challenging project management process and a great deal of additional work. As noted within the report, there is currently no Parent Company Guarantee in place. The contractor is taking steps towards rectifying this, and it was estimated that it would be in place by approximately two months from mid April 2022. Members were assured that this is being followed-up on a weekly basis.

Mrs Hardisty welcomed the report and thanked Mr Elliott and his team for their efforts, which have resulted in an improved position from previous audits. Clarification was requested around the implications of not having a Parent Company Guarantee in place. Also, it was noted that the project is clearly causing significant ongoing costs to the organisation in terms of staff time and effort; at a time when there are other pressures, and other tasks which could be prioritised. Mrs Hardisty enquired whether there is a record/estimate of the additional time UHB staff have spent managing this project, and whether there is any potential to claim compensation for this, from the contractor. In response to the first query, Mr Elliott explained that if a contractor was to go into liquidation but there is a parent company, that parent company would be financially liable for completion of any project. It was emphasised that there is currently no suggestion of this being a risk in this instance; the contractor remains on the Shared Services All Wales framework and is continuing to bid for other contracts. There is no indication of anything untoward/of concern. In response to a query regarding the 'incentive' for the parent company in this case to sign a Parent Company Guarantee, Mr Elliott advised that it is a contractual and eligibility requirement for the All Wales framework. Mr Jones confirmed that contractors without a Parent Company Guarantee in place would be in breach of the framework. It was noted, therefore, that the Guarantee should have been updated when the contractor's name and branding changed. With regard to the second query, around the potential for compensation, Mr Elliott was not aware of any contractual route for recompense of this nature. It would be challenging to prove the

	<p>opportunity costs involved, and compensation would be built into the agreed cost of £1 per week. It should be noted, however, that every week the contract overruns costs the contractor £35k. In response to the specific comment around additional staff time, Mr Jones advised that a record has been kept of the internal costs involved, so this can be quantified.</p> <p>Referencing paragraph 2.5, and the statement that Welsh Government will provide match funding for COVID-19 costs, Mr Maynard Davies enquired whether this means that the UHB will contribute 50% and Welsh Government 50%. Mr Jones and Mr Elliott confirmed that Welsh Government will pay COVID-19 costs in full. Returning to the issue of delays, and delays attributable to the contractor, Mr Newman requested assurances that work is progressing as quickly as possible, and that the revised completion date of June 2023 is expected to be achieved. Mr Elliott confirmed that the anticipated completion date is June/July 2023, emphasising that the UHB is keen to maintain a positive relationship with the constructor, in order to progress the project as quickly as possible. Mr Jones noted that the delays during the previous 12 months also impact on the project going forward, and a prospective mapping process of impacts has been undertaken.</p> <p>Mr Newman concluded discussions by recognising that this project represents a challenging situation; suggesting that the team should maintain their efforts and record the additional work involved. Thanks were offered to all of those involved.</p> <p><i>Mr Andrew Carruthers, Mr Rob Elliott and Mr Eifion Jones left the Committee meeting.</i></p> <p>The Committee NOTED the Women & Children’s Phase 2 (Reasonable Assurance) report.</p>	
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<p>AC(22)91</p>	<p>BlackLine Financial Reconciliation System (Non-opinion Review)</p> <p>Ms Corbett introduced the BlackLine Financial Reconciliation System report, outlining its conclusions and noting that, as this was a Non-opinion review, there were no recommendations and no assurance rating. Mr Huw Thomas provided background to this review, advising that reconciliation had previously been undertaken utilising Excel spreadsheets, with no standardised format or facility for signature, which could be regarded as basic requirements for a reconciliation system. Currently, HDdUHB is the only Health Board in Wales to utilise the BlackLine system; whilst it has addressed the concerns detailed above, the UHB now needs to consider the potential opportunities BlackLine offers in terms of development/improvements.</p> <p>Welcoming the report, Mr Winston Weir queried whether Audit Wales will review the new systems in place and provide assurance that reconciliation is being undertaken efficiently. In response, Ms Lucy Evans advised that Audit Wales will examine the reconciliation process in so far as how it informs their opinion on the UHB’s annual accounts; however, will not conduct a full-scale evaluation. Mr Weir then suggested that a full Internal Audit should be undertaken, to establish whether the software/system is being utilised in the manner intended. Mr Thomas advised that he thought when he had originally requested</p>	
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	<p>this review, he had anticipated a full audit. Whilst gratified by the review's positive findings, Mr Thomas would welcome a full audit and suggested that this could be scheduled early in the year, as the system is now operational. Mrs Hardisty shared this view, suggesting that there needs to be clarity on both sides in terms of requirements/expectations for audits and reviews at the point of request. Mrs Wilson added that the scope and style of the audit should have been agreed at the start of the audit in order that both parties are clear on the type of review and what this will cover. Mr James Johns indicated that his understanding had been that the requirement was for a brief, supportive/advisory exercise, rather than a full, in-depth audit. A new system had been implemented; the review had identified that it was doing what was intended, and had provided assurance regarding the benefits of the system. It was agreed that Mr Johns and Mr Thomas would discuss this matter further. Mr Newman stated that the organisation cannot be assured that the system is producing the required results and Ms Evans confirmed that, whilst reconciliation will form part of the year-end testing, this will not attest to the effectiveness of the BlackLine system specifically. Ms Corbett highlighted that sample testing would take time; however no issues had been identified during the review process. Members noted that implementing the system had involved a great deal of work. Mr Thomas suggested that it was the management assurance that the system is operating as intended that is absent, and committed to take steps to provide this.</p>	<p>JJ/HT</p> <p>HT</p>
	<p>The Committee NOTED the BlackLine Financial Reconciliation System (Non-opinion Review) report.</p>	

<p>AC(22)92</p>	<p>Draft Annual Accounts 2021/22</p> <p>Mr Thomas presented the Draft Annual Accounts for 2022/22, advising that these had been prepared and submitted to Welsh Government and Audit Wales in advance of their deadline. Audit Wales has commenced their financial audit. Mr Thomas thanked the Finance team for collating the accounts and colleagues across the organisation for their support. Introducing his presentation, Mr Thomas highlighted the three key areas in terms of content. In terms of Revenue Resource Performance, the UHB had not achieved the Welsh Government target. The Capital Resource Performance target had been achieved; whilst challenging, the UHB had underspent by only a nominal amount. The Duty to prepare a Three Year Plan had not been achieved; however, the UHB had achieved the target for Prompt Payment, which was pleasing, as whilst reputationally important, this does not tend to attract a great deal of attention. The figures on slides 7 and 8, around the impact of COVID-19, make for stark reading. Slides 9, 10, 11 and 12 include details of movement in expenditure and on the balance sheet, with explanations for this variation provided. Slide 14 outlines an adjustment of £2.7k required, which forms a material note in the accounts. Next steps in terms of the accounts are detailed on slide 15.</p> <p>Referencing slide 13, Mr Newman noted the significant increase in clinical negligence claims and the explanation provided. Mr Newman queried, however, whether there is any intelligence around the likely future trajectory of clinical negligence claims. In response, Mr Thomas reminded Members that the UHB's financial contribution to this area is capped. There has been a growth in both the number and value of</p>	
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	<p>cases, and costs are further driven by inflation. The latter may be a significant contributory factor to increased costs going forward. Mr Thomas suggested that additional data/intelligence from the Welsh Risk Pool around clinical negligence is required. It was highlighted, however, that any mitigations put in place to safeguard patients will not have an impact for several years. Members were advised that this topic is considered by the Sustainable Resources Committee (SRC) on a regular basis, which provides a degree of assurance. Mr Weir welcomed the report and commended the work undertaken by the Director of Finance and his team during the year. Returning to slide 11, Mr Weir noted that the comparison of expenditure between years is largely explained, with increases in staffing and agency staff, and a decrease in consultancy services. The latter is routinely reported in more detail at SRC and should be recognised as an achievement. The comparison between years in relation to COVID-19 related costs also reflects the 'shift' from the initial response, to costs associated with testing, vaccination, etc. Mr Weir highlighted the increase in expenditure on external contractors and requested further clarification, and heard that the use of external contractors has increased, particularly in the Estates & Facilities and Digital teams.</p> <p>Mr Newman enquired whether the accounts presented the Director of Finance with any particularly significant concerns. In response, Mr Thomas advised that the balance sheet 'cut-off' between one year and another is always a concern. The UHB does not yet have in place a robust system for reporting on annual leave; therefore, annual leave accrual is also a specific cause for concern. Mr Newman thanked Mr Thomas for the report, presentation and additional information.</p> <p>The Committee DISCUSSED the draft annual accounts for 2021/22.</p>	HT
AC(22)93	<p>Audit Enquiries to those Charged with Governance and Management</p> <p>Mr Thomas presented the Audit Enquiries to those Charged with Governance and Management draft response, highlighting the inclusion of last year's response for comparison.</p> <p>The Committee REVIEWED the response prepared and RATIFIED it for onward submission to Audit Wales.</p>	
AC(22)94	<p>Draft Accountability Report</p> <p>Mrs Wilson introduced the Draft Accountability Report, reminding Members that this forms one of the three distinct elements of the HDdUHB Annual Report and Accounts, and thanked Mrs Charlotte Beare for her significant contribution to the preparation of this document. The UHB Chair and Chief Executive have reviewed and commented on the draft Accountability Report with it noted this had also been shared with Audit Wales, Welsh Government and Internal Audit. Members were requested to provide additional feedback/comments by 18th May 2022, which would be summarised and presented for approval via Chair's Action.</p> <p>The Committee DISCUSSED and SUPPORTED the content of the Draft Accountability Report, agreeing to provide any feedback relevant to its objective to the Board Secretary by Wednesday, 18th May 2022, in</p>	

	order to provide assurance to the Board that a robust governance process was enacted during the year.	
AC(22)95	Draft Performance Overview	
	Mr Thomas presented the Draft Performance Overview, which represents the first section of the HDdUHB Annual Reporting framework. Mr Thomas thanked both Ms Tracy Price and Ms Fiona Hancock for their contributions. Whilst the document is of a fairly standard format, its contents represent an important 'point in time' in the review of the past year. It will also form a crucial part of information for any Public Inquiry in relation to the COVID-19 pandemic. Mr Thomas would have liked the document to reflect to a greater degree the Board Assurance Framework; however, the format is prescribed. The Performance Overview was, Mr Thomas felt, a fair and balanced reflection of the year. Mrs Wilson advised that the report had been shared with the Chairs of the Strategic Development & Operational Delivery Committee (SDODC) and the Quality, Safety & Experience Committee (QSEC); Members noted that Mr Davies had submitted a number of comments.	
	The Committee APPROVED the Performance Report chapter of the 2021/22 Annual Report for onward ratification by Board.	
AC(22)96	Year-end Processes: Compliance with Ministerial Directions	
	<i>Ms Lucy Evans and Ms Sophie Corbett left the Committee meeting.</i>	
	Mrs Wilson introduced the Compliance with Ministerial Directions report, reminding Members that this is one of the year-end processes, and part of the Annual Governance Statement requirements. The UHB is compliant with all Ministerial Directions, with the exception of No 59, which is a work in progress. It will not be possible to implement the requirements of this Ministerial Direction quickly, as it requires significant work both on the part of the UHB and in collaboration with partners.	
	Referencing Appendix 1 and Direction No 59, Mr Newman noted the actions being taken by the Regional Partnership Board (RPB) and enquired where these will be monitored/reported. Mrs Wilson explained that the reporting route will be via the RPB governance structures and the Statutory Partnerships Update Report to Board, after which this will be directed to the relevant Board level Committee. Mrs Hardisty noted that there are often other/separate directions and requirements which follow the issuing of Ministerial Directions; for example the RPB was charged with implementing Champions and undertaking other actions. Whilst Ministerial Directions are issued to NHS bodies, they can extend to other bodies. There are other examples, such as in Primary Care, where Welsh Government write on occasion directly to Primary Care Clusters. Mrs Hardisty enquired how best this be reflected/managed from an assurance perspective. In response, Mrs Wilson suggested that such directions should be transmitted via the recognised Ministerial Directions or Welsh Health Circulars route. Should this not be the case, directions become challenging to track and monitor.	
	The Committee NOTED the Non-Statutory Instruments (Ministerial Directions) which have been issued and ENDORSED the confirmation that the UHB is compliant with these, with the exception of No.59 (The	

	Directions to Local Health Boards and NHS Trusts in Wales on the Delivery of Autism Services 2021) which is currently being implemented.	
AC(22)97	Year-end Processes: Compliance with Welsh Health Circulars	
	Mrs Wilson introduced the Compliance with Welsh Health Circulars report, noting that this is similar to the preceding item. Members were advised that Welsh Health Circulars (WHCs) are issued for either Compliance, Action or Information. Each WHC is allocated to a Board level Committee. It is recognised that the tracking process requires strengthening, in consultation with the relevant Executive Leads. The report identifies those WHCs which are currently behind schedule.	
	The Committee TOOK ASSURANCE that there is a process in place within the University Health Board to monitor the implementation of Welsh Health Circulars.	
AC(22)98	Draft Audit & Risk Assurance Committee Annual Report 2021/22	
	<i>Mr Huw Thomas left the Committee meeting.</i>	
	Mrs Wilson presented the Draft Audit & Risk Assurance Committee Annual Report 2021/22, thanking Ms Clare Moorcroft for her work in compiling this document. The report demonstrates the significant amount of work undertaken by the Committee during the year and, if approved, will be submitted to the Board for endorsement.	
	Mr Davies highlighted that details of the Private Meeting on page 28 required amendment to truly reflect those attending each meeting. Mr Newman agreed that the report accurately reflects the Committee's work, and highlights a theme across the year, of the pressures being experienced by organisation and staff alike. Members were requested to provide additional feedback/comments within one week, which would be summarised and presented for approval via Chair's Action.	
	The Committee AGREED to feed back comments on the ARAC Annual Report within one week and REQUESTED Chair's action to approve the content of the report, prior to onward submission to the Board.	
AC(22)99	Draft Head of Internal Audit Opinion & Annual Report 2021/22	
	Mr Johns presented the Draft Head of Internal Audit Opinion & Annual Report 2021/22, reminding Members that this is prepared each year and presented in draft form for the Committee to consider at an early opportunity. The report includes detail around the basis for forming the overall opinion with further information around the outcomes from individual audits and a summary of key findings. There is information on delivery of the Internal Audit Plan for 2021/22 and an assessment of conformance with the Public Sector Internal Audit Standards. Section 1.2 outlines the overall audit opinion for 2021/22, Reasonable Assurance, which represents a positive outcome. Section 1.4 presents a summary of audits by assurance rating, which underpin the overall audit opinion. Section 2.4 provides detail around the opinion, and a summary of key outcomes/findings, with six Limited Assurance reports, two of which have been the subject of follow-up audits demonstrating positive progress/improvements. Section 3 presents a summary of assurance from national audit work; Section 4 highlights information	

	<p>regarding the delivery of the Internal Audit Plan. Deferred audits, and the reason for deferral, are detailed in Section 5.7. Mr Johns concluded by noting that certain elements of the report will require updating, such as details of the one outstanding audit.</p> <p>Before he had left the meeting, and within the online Chat, Mr Thomas had submitted two queries; firstly, with regard to the two Limited Assurance reports on Use Consultancy and Implementation of WPAS in MHL. Subsequent work undertaken during the year had increased the assurance from this level, recorded in follow-up audits. Consequently, Mr Thomas enquired whether, at the point of the Head of Internal Audit Opinion, the greater level of assurance could not be taken. Secondly, whilst welcoming the summary of assurance on pages 17 and 18 from audits undertaken within national organisations, Mr Thomas felt that this loses much from the lack of comments. It was suggested that comments could be added to further inform the Committee, even if only sharing the objective of the audit. Mr Johns responded that the two follow-up audits and their outcomes have been recognised in forming the opinion. Mr Johns would try to obtain objectives for the national audits to add to the report. Mr Davies noted that in the table on page 19, the fourth entry under status is marked 'R' but coloured green. Mr Johns confirmed that the RAG rating for this indicator is green, and committed to correct this in the final report. With regard to the one outstanding audit, in Risk Management & Board Assurance Framework (BAF), Mr Weir requested assurance that this important audit will be delivered at the 9th June 2022 meeting. In response, Mr Johns confirmed that the team are in the latter stages of this audit and that it will be completed in time for the meeting on 9th June 2022. The audit had not identified any significant issues and the assurance rating will be Reasonable Assurance at minimum. Whilst Mrs Wilson welcomed this audit and its value, she emphasised that the development of the BAF next year will be crucial, in as much as how it is utilised, linked to the risk element and better fulfils the Terms of Reference.</p> <p>The Committee CONSIDERED the Draft Head of Internal Audit Opinion and Annual Report 2021/22.</p>	<p>JJ</p> <p>JJ</p>
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<p>AC(22)100</p>	<p>Assurance Report on Board Effectiveness</p> <p>Mrs Wilson introduced the Assurance Report on Board Effectiveness, which forms one of the mandatory requirements of the Annual Governance Statement. Rather than being based on the opinion of the UHB Chair and Chief Executive, as in previous years due to the need to respond to the COVID-19 pandemic, the report had been discussed in detail at Board Seminar, where it had been agreed that the overall level of maturity should remain at Level 4. Whilst it was recognised that significant work is required to maintain this level, the long-term ambition is to progress to Level 5.</p> <p>Mr Newman enquired regarding the comparative position across Wales, with Ms Anne Beegan replying that she has not seen this type of information for other Health Boards, whilst acknowledging that it may exist. Ms Beegan committed to check and report to the next meeting.</p> <p>The Committee TOOK ASSURANCE from the process that has been undertaken this year to review the Board's effectiveness, recognising</p>	<p>AB</p>
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	this has been discussed by the Board at the Board Seminar meeting held on 7 th April 2022.	
AC(22)101	Any Other Business	
	Mrs Wilson wished to place on record thanks to Ms Moorcroft for her professionalism and continued support to the Committee. Members echoed these thanks.	
AC(22)102	Date and Time of Next Meeting	
	9.30am, 9 th June 2022 (Sign-off Annual Accounts)	
	9.30am, 21 st June 2022 (Routine Meeting)	