

**COFNODION Y CYFARFOD PWYLLGOR ARCHWILIO A SICRWYDD RISG
HEB EU CYMERADWYO / UNAPPROVED MINUTES OF THE AUDIT AND RISK
ASSURANCE COMMITTEE MEETING**

Date and Time of Meeting:	9.30am, 10 th June 2021
Venue:	Via MS Teams

Present:	Mr Paul Newman, Independent Member (Committee Chair) (VC) Mr Winston Weir, Independent Member (Committee Vice-Chair) (VC) Mr Maynard Davies, Independent Member (VC) Professor John Gammon, Independent Member (VC) Mrs Judith Hardisty, Vice-Chair, HDdUHB (VC)
In Attendance:	Ms Lucy Evans, Audit Wales (VC) Ms Eleanor Ansell, Audit Wales (VC) Mr James Johns, Head of Internal Audit, NWSSP (VC) Mr Eifion Jones, Internal Audit, NWSSP (VC) Mr Kevin Seward, Internal Audit, NWSSP (VC) (part) Miss Maria Battle, HDdUHB Chair Mr Steve Moore, HDdUHB Chief Executive (VC) (part) Mrs Joanne Wilson, Board Secretary Mr Huw Thomas, Director of Finance Mr Andrew Carruthers, Director of Operations (VC) (part) Mr Rob Elliott, Director of Estates, Facilities & Capital Management (VC) (part) Mr Anthony Tracey, Assistant Director of Digital Services (VC) (part) Ms Clare Moorcroft, Committee Services Officer (minutes)

Agenda Item	Item	
AC(21)96	<p>Introductions and Apologies for Absence</p> <p>Mr Paul Newman, Audit & Risk Assurance Committee (ARAC) Chair, welcomed everyone to the meeting. Apologies for absence were received from:</p> <ul style="list-style-type: none"> • Mrs Lisa Gostling, Director of Workforce & OD • Mrs Mandy Rayani, Director of Nursing, Quality & Patient Experience • Mr Simon Cookson, Internal Audit, NWSSP • Ms Clare James, Audit Wales • Ms Anne Beegan, Audit Wales • Mrs Charlotte Beare, Head of Assurance and Risk • Mr Ben Rees, Head of Local Counter Fraud Services 	
AC(21)97	<p>Declaration of Interests</p> <p>No declarations of interest were made.</p>	
AC(21)98	<p>Minutes of the Meetings held on 20th April and 5th May 2021</p> <p>RESOLVED – that the minutes of the Audit & Risk Assurance Committee meetings held on 20th April and 5th May 2021 be APPROVED as a correct record.</p>	

AC(21)99	<p>Table of Actions</p> <p>An update was provided on the Table of Actions from the meetings held on 20th April and 5th May 2021 and confirmation received that outstanding actions had been progressed or forward planned for future meetings. In terms of matters arising:</p> <p>AC(21)80 – Members noted that the amended Management Responses for the Health & Safety Internal Audit report, cleared by the Director of Nursing, Quality & Patient Experience, were appended to the Table of Actions. Mr Newman was content that these address the concerns raised during previous discussions.</p> <p>AC(21)82 – Mr Maynard Davies highlighted that the update within the Table of Actions focuses on coding storage, when the issue was with version control. Mr Huw Thomas apologised for this misunderstanding, and committed to obtain a further update for the August 2021 meeting.</p> <p>It was agreed that completed actions would be removed from the Table of Actions.</p>	HT
AC(21)100	<p>Matters Arising not on the Agenda</p> <p>There were no matters arising not on the agenda.</p>	
AC(21)101	<p>Audit & Assurance Services Report</p> <p>Mr James Johns presented the Audit & Assurance Services report, which confirms delivery of the remaining four Internal Audit reports from the 2020/21 Internal Audit Plan and confirmation that all audits within the Plan have been completed.</p> <p>The Committee CONSIDERED the assurance available from the finalised Internal Audit reports.</p>	
AC(21)102	<p>Withybush General Hospital Wards 9 & 10 Lessons Learnt (Advisory Review)</p> <p><i>Mr Andrew Carruthers and Mr Rob Elliott joined the Committee meeting.</i></p> <p>Mr Eifion Jones introduced the Withybush General Hospital (WGH) Wards 9 & 10 Lessons Learnt report, explaining that this was an advisory review which had originated from the Capital, Estates and IM&T Sub-Committee (CEIM&TSC). It had focused on an overspend on this project, stemming from unforeseen work and underfunding of certain areas. The Estates directorate had also undertaken their own internal review; following which, changes to reporting formats had been introduced, together with formalised internal management meetings. A Post Project Evaluation (PPE) is planned for early next year. The Internal Audit review was intended to assess progress, and the auditors had been pleased to note the changes introduced, which will improve oversight and governance arrangements. It was noted, however, that these will require positive, proactive staff involvement. Members were reminded of the recent Estates Directorate Governance review, and plans for a review of PPEs, which may provide an opportunity to review management processes.</p>	

Referencing the overspend in relation to this project, Mr Rob Elliott explained that this was a matter of the timing of reporting the overspend, rather than it being unnecessary expenditure. It was acknowledged that both the timing of the overspend and its reporting to the project team had been later than would be desired. Members were assured, however, that changes in process to address this issue have been introduced. Mr Elliott recognised the need to ensure that 'rounded' governance arrangements are in place prior to projects commencing. Agreeing, Mr Jones observed that a significant amount of pressure had been placed on one particular individual during this project, and that improvements in this regard are required. Mr Andrew Carruthers emphasised that, whilst he had taken on overarching responsibility for this project late in the process, he was committed to working with the Estates team to ensure that issues identified by the review are addressed. Welcoming the report, Mr Winston Weir noted that a number of the findings/recommendations, particularly in relation to PPEs, appear similar to those in previous reports. Mr Weir also expressed concern in relation to the findings around additional costs relating to water, asbestos and legionella works, suggesting that these were issues which had been identified on a generic basis several years earlier and that there should have been a more accurate baseline assessment of costs. Mr Elliott acknowledged that there have been previous reports regarding water management/safety, and emphasised that improvements have been made. It was suggested that, in this case, there was a 'gap' in information flow between the operations and design teams, which has since been closed.

Whilst accepting these comments, Mrs Judith Hardisty highlighted that they only refer to water management, and that there were additional costs in relation to other areas. Mrs Hardisty shared Mr Weir's view, that such issues should be resolved and fully costed in advance of projects commencing. There were a number of similarities with the Women & Children's Phase 2 project, including deficiencies in completion of returns and in providing responses to Welsh Government. Several of these returns should have been submitted before the COVID-19 pandemic began. Mrs Hardisty did not share the auditors' sense that the necessary improvements had been made, or the level of assurance communicated in the report. Holding a PPE in January 2022 seems too long after the scheme; Mrs Hardisty felt that an exercise to examine the lessons learned could take place during projects, with a PPE once the facility opens. This should apply equally to the various other capital schemes coming on track in the near future. Mr Elliott accepted that there are a number of wider issues and that asbestos and Legionella have been identified as a concern within the UHB's estate previously. It was emphasised, however, that governance processes have been improved to ensure that full analysis is available to officers. It was also accepted that the findings around returns were similar to those associated with the Women & Children's Phase 2 project. The importance of completing returns accurately and in a timely manner had been acknowledged, and Project Director roles had been established to address this issue. Mr Elliott stated that the timing of PPEs is outwith his control, whilst recognising the potential benefit of conducting evaluations and lessons learned exercises at an earlier stage.

Mrs Hardisty enquired who does control PPEs. In response, Mr Jones advised that the CEIM&TSC had recently received a presentation from the Planning Directorate on PPEs, with a series being planned during the next 12 months. It was acknowledged that the wider service implications from projects need to be considered. A lessons learned exercise from the Women & Children's Phase 2 project is being prioritised. Mr Davies confirmed that there had been a useful presentation on PPEs at CEIM&TSC, following discussions at the April 2021 ARAC meeting. This had included the need for cognisance of practical considerations (such as water safety) and whether projects are delivered on budget. Also, however, whether projects deliver what they set out to achieve. Mrs Hardisty expressed concern that Mr Davies is being required to offer assurance, and these concerns were shared by Mrs Joanne Wilson, who emphasised that executive leads and officers should be providing such information and assurance. It was suggested that there are significant concerns regarding Capital Governance arrangements, with Members advised that the Board has requested the Director of Strategic Development & Operational Planning undertake a full review of this area and present a report to the August 2021 ARAC meeting. Mr Thomas reported that he has already met with Mr Lee Davies in this regard, suggesting that there needs to be a consistent approach across the organisation, with a framework developed for consideration by Board. This applies to all projects, be they digital, service transformation or capital/estates.

LD

In response to a query from Mr Davies regarding whether there are defined change control procedures for Estates projects, as there are for IT projects, Mr Elliott confirmed that there are standard procedures; whilst acknowledging that certain of the information was not completed as accurately or in as timely a manner as it should have been. Mr Newman remained concerned with respect to how the issues resulting in an overspend arose, in what is a relatively small project. It was suggested that asbestos, water safety and Legionella issues are not unusual/unexpected and that the initial contract should have been more accurately prepared. This illustrates the premise that 'if you start in the wrong place, you end in the wrong place' which has been mentioned previously in regards to capital projects. Mr Newman was also concerned by the use of verbal authority/verbal amendments to contracts, suggesting that this should not be regarded as acceptable. A requirement for amendment in writing would allow proper consideration and contemplation of the requested changes and this should be in accordance with the scheme of delegation. Echoing the comments of other Members, Mr Newman observed that similar/common findings have recently been noted in two capital projects, and suggested that separate reviews for each might – in view of this – hold limited value. The need for evaluation sooner rather than later was also emphasised, to ensure that the same issues are not repeated going forward. Mr Carruthers accepted all of the points raised, and agreed to consider whether evaluations for the two projects could be merged, in order to reflect on common themes. This would necessitate revised timescales for the evaluations.

AC/RE

Mr Elliott left the Committee meeting.

	The Committee NOTED the Withybush General Hospital Wards 9 & 10 Lessons Learnt (Advisory Review) report.	
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AC(21)103	COVID-19 Governance Update (Advisory Review)	
	<p><i>Mr Steve Moore joined the Committee meeting.</i></p> <p>Mr Johns introduced the COVID-19 Governance Update report, explaining that this audit had a similar scope to the previous review on this topic. The Executive Summary provides an overarching view of the findings, noting that the UHB’s governance arrangements had continued to operate successfully during the second phase of the COVID-19 pandemic. The Command and Control structure had, in particular, facilitated effective decision-making. The wider committee structure and risk management processes had also continued to operate effectively. Overall, therefore, the UHB is in a strong position with regards to its governance during the pandemic.</p> <p>Referencing the final bullet point of section 3.1 on page 5 of the report, Mr Davies noted that the Board and Committee Standard Operating Procedure has not yet been updated to include details as how to adapt meeting arrangements in the event of a future emergency response. In response, Mrs Wilson explained that this related to a recommendation from the first review. The operating arrangements are already in place; it is the protocols which require updating in the event of a third wave of COVID-19. Mr Newman suggested that it would be helpful if the report could summarise any actions required. Mr Johns advised that Internal Audit had identified very little in the way of actions required during this review; it was then suggested that this be indicated more clearly.</p> <p><i>Mr Carruthers left the Committee meeting.</i></p>	JJ/JW
	The Committee NOTED the COVID-19 Governance Update (Advisory Review) report.	

AC(21)104	Brexit Risks and Actions (Advisory Review)	
	<p>Mr Johns introduced the Brexit Risks and Actions report, explaining that this review had been concerned with the ongoing risks relating to Brexit. As the situation had moved on considerably, it provides a brief overview of the overarching arrangements. As with the previous report, the Executive Summary sets out the review’s main observations/findings. These focused on the EU Settlement Scheme and information sharing. Key priorities are outlined on page 4, which involve the impact of the EU Settlement Scheme on business continuity plans; Information Asset Owners; the need to update key risk areas and ensure actions from the Brexit Steering Group are closed off.</p> <p>With regard to the first key priority, the EU Settlement Scheme, Mrs Hardisty noted that the potential impact on UHB partners, for example in relation to domiciliary care, was not included. Whilst this is not a UHB responsibility, it will impact on the organisation, as Local Authorities employ a number of EU nationals in care facilities. Mrs Hardisty was aware of discussions between the UHB and Local Authorities in this regard. In response, Mr Johns explained that this issue was not part of the review’s scope. Mr Thomas advised that he had taken over executive leadership of the Brexit Steering Group. The County Director</p>	

	<p>for Pembrokeshire had acted as the link between health and social care sectors, and as indicated above, the Director of Workforce & OD has also been in discussion with Local Authorities. There is likely to be a broader piece of work conducted around domiciliary care, into which these discussions will feed. In terms of comments made around Brexit Steering Group governance, Mr Thomas explained that the COVID-19 response had been prioritised, which had meant that certain aspects, such as reviewing the Terms of Reference, had not taken place. Attendance at meetings of the Group had also been variable; however, Mr Thomas had ensured that 'offline' discussions were taking place with those members unable to attend meetings due to the pandemic.</p>	
	<p>The Committee NOTED the Brexit Risks and Actions (Advisory Review) report.</p>	

<p>AC(21)105</p>	<p>Local Deployment of the Welsh Immunisation System (WIS) (Reasonable Assurance)</p>	
	<p><i>Mr Kevin Seward and Mr Anthony Tracey joined the Committee meeting.</i></p> <p>Mr Johns introduced the Local Deployment of the Welsh Immunisation System (WIS) report; which outlined the findings of an audit around the local implementation of this national system, deployed at pace, during a challenging time. The audit had returned a Reasonable Assurance rating, with a number of recommendations identifying potential for improvement in various areas. Mr Kevin Seward highlighted that the auditors had received positive feedback from Digital Health & Care Wales (DHCW) with regards to HDdUHB's engagement during the WIS deployment. Mr Anthony Tracey confirmed that the system had been implemented at pace and that DHCW had been extremely supportive in achieving this, together with all those involved within the UHB.</p> <p>Welcoming the report and its findings, Mr Davies enquired whether there are any examples of good practice from other Health Boards which could be shared with HDdUHB. In response, Mr Seward indicated that no similar Internal Audits had been conducted in other Health Boards; however, DHCW is conducting an All Wales review. Mr Tracey committed to share this with ARAC once published. Mrs Hardisty emphasised that implementation of WIS is a significant achievement, which is a testament to the team involved, and that this should be recognised, together with DHCW's feedback. Mrs Hardisty enquired whether there is potential scope for the system to be used in future vaccination rounds/programmes, such as COVID-19 'booster' vaccinations, or 'flu vaccinations. Mr Tracey responded that WIS is, indeed, viewed as a sound basis for an All Wales system of this type. It links into national systems and laboratory systems and is anticipated to remain in use. DHCW are working with clinicians and Public Health Wales in this regard. Members heard that there have already been 4 or 5 versions of WIS since it was introduced, and consideration is being given to developing the system to be more inclusive.</p> <p>In response to a query regarding whether WIS could be expanded to include childhood immunisations, Mr Tracey advised that WIS had been based on the current IT system for these. There are discussions around developing a single system which will include the improvements made</p>	<p>AT</p>

	<p>to WIS during its existence. Mr Davies noted that the childhood immunisation IT system is Oracle based and enquired whether there were any associated licencing issues. In response, Members heard that there had been; however, these had now been resolved through the development of a web-based application/system. The additional licencing costs which had arisen had been funded by Welsh Government. Mr Thomas suggested that deployment of WIS bears testament to what can be achieved by a small nation. This significant digital and operational endeavour, developed as Health Boards and partners were trying to keep pace with vaccination delivery, should be recognised. It is important to learn from the pace of and approach to deployment, and how this might be applied to other digital programmes going forward. Mr Newman echoed previous comments and welcomed the report, which was extremely positive, with only minor issues raised. He agreed that any opportunities to apply learning must be grasped.</p> <p><i>Mr Seward and Mr Tracey left the Committee meeting.</i></p>	
	<p>The Committee NOTED the Local Deployment of the Welsh Immunisation System (WIS) (Reasonable Assurance) report.</p>	

AC(21)106	<p>Head of Internal Audit Opinion & Annual Report 2020/21</p> <p>Mr Johns presented the Head of Internal Audit Opinion & Annual Report 2020/21, reminding Members that a draft had been presented to the previous meeting. The report's key purpose is to provide an overall opinion on the adequacy and effectiveness of the organisation's framework of governance, risk management and control. This overall opinion – one of Reasonable Assurance – which represents a positive outcome for the UHB, is outlined in paragraph 1.2. The report also discusses delivery of the Internal Audit Plan and provides, in paragraph 1.4, a summary of the audit assignments and their assuring ratings. The vast majority of these had been positive, with only three returning a Limited Assurance rating. Section 2 of the report provides further narrative around the basis for the overall opinion, together with a brief summary of each audit. This section also includes a statement around conformance with the Public Sector Internal Audit Standards. Section 3 outlines work with other NHS organisations. Section 4 focuses on delivery of the Internal Audit Plan and Section 5 details the individual audit assignments by assurance rating.</p> <p>Mr Newman welcomed the report, noting that its contents should not be surprising to Members as a draft version had been discussed at ARAC's previous meeting. The report accurately reflects the Internal Audit work conducted during the year. Mrs Wilson wished to express her thanks to Mr Johns for his cooperation, contribution and advice throughout the year. To this, Mr Newman added the Committee's thanks to Mr Johns and his team for completing the Internal Audit programme in challenging circumstances.</p> <p>The Committee CONSIDERED the assurance provided by the Head of Internal Audit Annual Report and Opinion for 2020/21.</p>	
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AC(21)107	<p>Overview and Performance Report (Section of HDdUHB Annual Report)</p> <p>Mrs Wilson introduced the Overview and Performance Report, which forms one section of HDdUHB's Annual Report. Members were</p>	
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	<p>reminded that this had been presented to the previous meeting, and had also been reviewed by the UHB Chair, Chief Executive and Chairs of the People, Planning & Performance Assurance Committee and the Quality, Safety & Experience Assurance Committee. Mrs Wilson thanked Ms Tracy Price in the Performance team for her work in preparing the report. Mr Thomas echoed these sentiments, emphasising that the report represents a significant undertaking involving a number of teams across the UHB. All Executive Directors have contributed, together with the Communications and Governance teams. Mr Thomas suggested that the report is relatively self-explanatory. The UHB's Annual Report, to which this document contributes, will serve to reflect the significant effort of the organisation in responding to the COVID-19 pandemic, and will be of a different style to previous Annual Reports.</p> <p>Mr Newman thanked all of those involved in preparing the report, noting that 2020/21 had been a remarkable year and that it would be difficult for any report to do full justice to the work of the organisation.</p> <p>The Committee APPROVED the Performance Report chapter of the 2020/21 Annual Report for onward ratification by Board.</p>	
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AC(21)108	<p>Accountability Report</p> <p>Mr Steve Moore presented the Accountability Report, which will also form part of the UHB's Annual Report; recognising that a draft of this document had previously been considered by ARAC and shared more widely. The feedback received from Welsh Government, Audit Wales and Internal Audit is captured in Appendix 1, alongside an overview of amendments made since the draft report was presented and reviewed. Furthermore, it was confirmed the documentation had been prepared in accordance with the Manual for Accounts. Mr Moore thanked the Governance team for their efforts in compiling this report, with Mrs Wilson paying particular testament to Mrs Charlotte Beare for the work she had undertaken in preparing the documentation.</p> <p>Mr Newman echoed these thanks. Referencing feedback in Appendix 1, specifically amendments requested by Welsh Government, Mr Newman reported that public access to committees had been discussed at the most recent All Wales Audit Committee Chairs' meeting. As the 'virtual' meeting format is likely to be the norm for some time, it is possible that Health Boards will need to consider the feasibility of livestreaming all committee meetings moving forward.</p> <p>The Committee APPROVED the content of the Accountability Report, as a source of assurance to the Board that a robust governance process was enacted during the year, and RECOMMENDED its subsequent approval to the Board.</p>	
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AC(21)109	<p>Audit Wales ISA 260 and Letter of Representation</p> <p>Ms Lucy Evans introduced the Audit of Accounts Report, explaining that this contains issues relating to the Annual Accounts which Audit Wales wish to bring to the UHB's attention. Ms Evans thanked the UHB's Finance team for their engagement during the audit process, noting that the working relationship has been positive and constructive. The challenging nature of the past year was recognised; however, HDdUHB had been the first Health Board to submit their annual accounts and</p>	
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Welsh Risk Pool return. Members' attention was drawn to the key areas highlighted on pages 6 and 7 of the report:

- There are no uncorrected misstatements;
- The corrected misstatements are detailed in Appendix 3 – although it should be noted that these are presentational in nature, with no impact on the UHB's financial bottom-line/performance;
- Audit Wales intend to issue an unqualified true and fair audit opinion and a qualified regularity audit opinion on this year's accounts – the latter as a result of the UHB not meeting its two statutory financial duties, detailed in Exhibit 2;
- The emphasis of matter and substantive report relating to Clinicians' Pension Tax Liabilities, noting that the Ministerial Direction issued does not alone regularise the scheme. This is an issue common to all Health Boards;
- The concerns regarding the lack of a robust system within HDdUHB to accrue annual leave balances.

With regard to the last of these, Ms Evans explained that there are currently a number of different systems used to record annual leave, including electronic (for example the Electronic Staff Record) and paper. This had made it challenging to collate annual leave accrual information, and additional work by the Finance team and Audit Wales had been necessary. Further work is required to bring together the various systems, in order to ensure an accurate overall understanding of the annual leave position.

Mr Thomas thanked Ms Evans and the Audit Wales team, noting that this is the third year that the annual accounts have been audited via a virtual arrangement; with HDdUHB being the first organisation to pilot this process with Audit Wales. The new audit methodology, employing more robust data analytics, will provide valuable learning for the UHB. Mr Thomas stated that the audit process had been extremely smooth. The key areas highlighted above were acknowledged, and Mr Thomas recognised the need to reflect on these, particularly the qualified regularity audit opinion, which is of concern. The organisation has spent in excess of its Welsh Government revenue resource allocation, with Members reminded that there has been significant growth and financial expenditure this year, in response to the COVID-19 pandemic. The annual leave accrual issue has been financially challenging; and there is a need to grasp this opportunity to introduce systems which facilitate accurate recording of leave, whilst allowing a certain amount of flexibility in the taking of leave. Other challenges have become prominent this year, such as establishing and operating Field Hospitals. There are no concerns around these, other than in relation to operating leases, which is covered in the notes accompanying the Final Accounts.

Mrs Hardisty noted that the recording of Annual Leave has been a long-standing issue, querying whether it is a case of failing to use an existing system effectively, or whether this is a more widespread, national issue. In response, Mr Thomas explained that it is the latter, and that all Health Boards are finding this challenging. However, HDdUHB has not adopted robust processes previously, and this should be viewed as an opportunity to 'reset' the approach to annual leave accrual. It should be

	<p>recognised that resolving this issue will not be easy or rapid. Ms Evans confirmed that the issue of annual leave accrual is one affecting all Health Boards. Referencing the statement around Clinicians' Pension Tax Liabilities, that the Ministerial Direction issued does not regularise the scheme, Mr Davies enquired whether there is a potential for this to be the subject of a challenge by HMRC in the future. Mr Thomas noted that this is a sensitive issue; whilst the scheme has been established quite openly, the tax implications are outwith Welsh Government mandate, which is why it is being identified as 'irregular'. Mr Newman acknowledged that this is a potential financial risk.</p>	
	<p>The Committee NOTED the Audit Wales ISA 260 and Letter of Representation and REQUESTED that the recommendations made in the ISA 260 report be incorporated within the Audit Tracker.</p>	CB

AC(21)110	Final Accounts for 2020/21	
	<p>Mr Thomas presented the Final Accounts for 2020/21, emphasising that these have been considered in draft form by both ARAC and the Finance Committee. No significant changes have been made since they were last presented, aside from minor amendments to the remuneration report. Members' attention was drawn, however, to the exceptional levels of expenditure required this year, which exceed £1bn. Mr Thomas also highlighted the post-balance sheet note outlined on page 13 of the presentation, relating to the donation of equipment to India, which will appear as a write-off in the 2021/22 annual accounts.</p> <p>Referencing expenditure on external consultants, Mr Newman enquired whether there has been any analysis of how this compares with previous years and with other Health Boards. In response, Mr Thomas drew Members' attention to page 29 of the Final Accounts, note 3.3, which identifies that consultancy service costs for 2020/21 were £1.8m, compared with £1.5m in 2019/20. It was emphasised that this figure includes contracts with multiple organisations, including consultancy services for the Health & Care Strategy Programme Business Case. Mr Thomas offered to provide a breakdown of individual costs and Ms Evans committed to seek equivalent information from other Health Boards for comparison. Mrs Wilson added that Internal Audit would be undertaking a review of consultancy spend and processes in the first quarter of this financial year.</p>	HT LE
	<p>The Committee APPROVED the audited annual accounts for 2020/21, for onward ratification by the Board.</p>	

AC(21)111	Any Other Business	
	There was no other business reported.	

AC(21)112	Date and Time of Next Meeting	
	9.30am, 22 nd June 2021	

**COFNODION Y CYFARFOD PWYLLGOR ARCHWILIO A SICRWYDD RISG
HEB EU CYMERADWYO / UNAPPROVED MINUTES OF THE AUDIT AND RISK
ASSURANCE COMMITTEE MEETING**

Date and Time of Meeting:	9.30am, 22 nd June 2021
Venue:	Boardroom, Corporate Offices, Ystwyth Building, St David's Park, Carmarthen and via MS Teams

Present:	Mr Paul Newman, Independent Member (Committee Chair) (VC) Mr Winston Weir, Independent Member (Committee Vice-Chair) (VC) Mr Maynard Davies, Independent Member (VC) Professor John Gammon, Independent Member (VC) Mrs Judith Hardisty, Vice-Chair, HDdUHB (VC)
In Attendance:	Ms Anne Beegan, Audit Wales (VC) Mr James Johns, Head of Internal Audit, NWSSP (VC) Mrs Joanne Wilson, Board Secretary (VC) Mr Huw Thomas, Director of Finance (VC) Mrs Charlotte Beare, Head of Assurance & Risk (VC) Mr Lee Davies, Director of Strategic Development & Operational Planning (VC) (part) Mrs Mandy Rayani, Director of Nursing, Quality & Patient Experience (VC) (part) Dr Joanne McCarthy, Consultant in Public Health, deputising for Mrs Ros Jervis, Director of Public Health (VC) (part) Ms Clare Moorcroft, Committee Services Officer (minutes)

Agenda Item	Item
AC(21)113	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"> • Mrs Lisa Gostling, Director of Workforce & OD • Mrs Ros Jervis, Director of Public Health • Ms Lucy Evans, Audit Wales • Mr Simon Cookson, Internal Audit, NWSSP • Mr Eifion Jones, Internal Audit, NWSSP
AC(21)114	Declaration of Interests No declarations of interest were made.
AC(21)115	Matters Arising not on the Agenda Members noted that two sets of minutes and an updated Table of Actions will be presented to the next meeting. There were no matters arising not on the agenda.
AC(21)116	Enhanced Monitoring Update DEFERRED to 24 th August 2021 meeting, due to postponement of Welsh Government JET meeting.

AC(21)117	Annual Review of the Committee’s Self-Assessment of Effectiveness – Analysis of Findings	
	<p>Mrs Joanne Wilson introduced the Annual Review of the Committee’s Self-Assessment of Effectiveness – Analysis of Findings report, reminding Members that the raw data from the survey had been presented to the meeting on 20th April 2021. Mr Newman, Mrs Wilson and Mrs Charlotte Beare had met to discuss the survey responses and to identify themes, suggestions for improvement and a number of practical ‘quick fixes’, which are outlined within the report. Members noted that Committee Self-Assessments will be discussed by the new Committee Chairs’ Group, which is due to meet in September 2021.</p> <p>Welcoming the report, Mrs Judith Hardisty expressed support for the proposal that clinical leads/senior management/clinical directors attend ARAC, suggesting that this forms part of their development. It also provides ARAC with a sense of what is happening ‘on the ground’, which Mrs Hardisty would welcome, when this is feasible. Professor John Gammon echoed this sentiment, and commended the approach being taken to Committee Self-Assessment, which demonstrates increased diligence in auditing response to feedback. The organisation has matured in how it responds to Self-Assessment, with more robust and transparent evidence around learning. Mr Winston Weir also welcomed the report, which reflects a comprehensive and professional approach to Self-Assessment. The various categories contributing to the Self-Assessment questionnaire were commended, as they allow analysis and collation of a report which presents a ‘rich’ picture and reflects the HDdUHB approach. Mr Weir also welcomed the fact that certain of the feedback had not been accepted, for example when this was suggesting actions outwith ARAC’s remit. Mrs Wilson informed Members that there will be a future requirement for Committee Assurance Reports to ARAC to include a section on how they have addressed learning from their Self-Assessment; as well as how they have met their Terms of Reference. Whilst acknowledging that the new style Self-Assessment questionnaire had been more challenging to complete, Mr Newman suggested that it had produced more worthwhile results. The Chair of the Quality, Safety & Experience Assurance Committee (QSEAC), Ms Anna Lewis, had been the instigator of the new format and Mr Newman thanked her for her leadership in this regard. Noting the intention to discuss this matter at the new Committee Chairs’ Group, Mr Newman enquired whether there are plans to review progress in implementing changes/ improvements. It was agreed that a review should be forward planned for six months’ time.</p>	CM
	The Committee TOOK ASSURANCE that the actions as described within the report will be taken forward as part of wider governance review and AGREED that a review of progress should take place in six months.	

AC(21)118	Report on the Adequacy of Arrangements for Declaring, Registering and Handling Interests, Gifts, Hospitality, Honoraria and Sponsorship	
	Presenting the Report on the Adequacy of Arrangements for Declaring, Registering and Handling Interests, Gifts, Hospitality, Honoraria and Sponsorship, Mrs Wilson reminded Members that it is an annual	

	<p>requirement – as part of the Standing Orders – to provide this report. Mrs Wilson thanked Ms Alison Gittins for preparing the report, which had been delayed to include as many returns as possible. There has been a particular focus this year on increasing the recording of staff interests; to this end, the Corporate Governance team has worked with high risk staff groups and Executive Leads.</p> <p>Mrs Hardisty welcomed the comprehensive report. Referencing Table 1 in the covering SBAR, it was observed that, whilst this includes Junior Medical Staff and Senior Medical Staff (Associate Medical Directors), it does not mention other senior medical staff such as clinical leads. Since there is an apparent focus on high risk staff groups, it was suggested that this should also encompass areas which have been an issue previously, such as conferences and hospitality provided to consultant level staff. Mrs Wilson was of the opinion that this had been considered, and committed to follow this up. In regards to Appendix 1 (Register of Board Members’ Interests), Mr Maynard Davies noted that certain Independent Members were no longer serving, and enquired how long entries remain on the register. In response, Mrs Wilson explained that the UHB is obliged to maintain the register in accordance with information reported in the Annual Accounts; a period of two years. Returning to Table 1, Professor Gammon noted that a number of the staff groups do not have 100% returns, and enquired when it is anticipated that the process will be complete. Mrs Wilson acknowledged that a number of returns are outstanding and advised that these have been escalated to the relevant Executive Director. Full compliance is anticipated within the next four weeks.</p> <p>Mr Newman noted that the electronic system used by Betsi Cadwaladr University Health Board (BCUHB) had been considered for adoption and discounted, and enquired whether there are exemplars from elsewhere. In response, Members heard that Declaration of Interests has been discussed at the national Board Secretaries’ forum and that all Health Boards are finding this challenging. HDdUHB has significantly higher levels of returns than other Health Boards, and is of the opinion that the ‘in person’ approach achieves better results than an automated approach would. Mr Huw Thomas recalled the implementation of the electronic system at BHUHB; observing that, whilst this was effective, it had taken time to implement. It was suggested, however, that there may be other digital solutions which could assist, and Mr Thomas offered to explore possibilities with Mrs Wilson. In terms of high risk staff groups, Mr Thomas noted that this could include any members of staff able to approve budgets on Oracle, and committed to cross check that these staff are included.</p> <p>The Committee REVIEWED the adequacy of the arrangements in place for declaring, registering and handling interests, gifts, hospitality, sponsorship and honoraria during 2020/21, and NOTED the proposed actions for 2021/22 to promote and improve the adequacy of these arrangements, for onward assurance to the Board.</p>	<p>JW</p> <p>HT</p> <p>HT</p>
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<p>AC(21)119</p>	<p>Financial Assurance Report</p> <p>Mr Thomas introduced the Financial Assurance Report, advising that this is of the standard format. Members heard that the number and value of Single Tender Actions (STAs) had reduced during April and</p>	
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May 2021, with no STAs approved in May. Mr Thomas and Mrs Wilson had written to all budget managers during this period to advise that the organisation will not be agreeing so readily to STAs. Members were informed that an issue has been identified around Service Level Agreements (SLAs) with Third Sector organisations, mostly in Mental Health, which will necessitate a report to ARAC outlining potential exit strategies. This would be presented to the next meeting. Drawing Members' attention to Figure 4 on page 7 of the report, Mr Thomas highlighted an increasing trend in balance outstanding and recovery period for salary overpayments, which is a concern. The continued lack of response from HMRC in relation to VAT and other tax matters is frustrating, although it is hoped that this will be resolved in the near future. Members were reminded that the donation of medical equipment to India and the associated financial write-off had been discussed at the Public Board meeting in May 2021.

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With regards to the SLA issue, Mrs Hardisty advised that the national Mental Health Partnership Board had recently received a report from a service users and carers' group, which had expressed concern regarding SLA processes. Different Health Boards use different processes, leading to a lack of standardisation. Mrs Hardisty suggested, therefore, that this topic may be considered at an All Wales level, and that it would be sensible to consult Welsh Government before undertaking significant work locally. In response, Mr Thomas felt that the actual SLAs were less of a concern than the lack of a tendering process in the first instance. Mr Weir welcomed the reduction in STAs and queried whether this is due to management actions or a reduction in activity prompting STAs. Mr Thomas was of the opinion that, as the organisation restarts more services, the number of STA applications will probably increase again. To address the potential root cause for STAs, Mr Thomas had asked the Assistant Director of Commissioning to explore the feasibility of making a short term appointment to review and draft documentation around effective tendering processes. This would be viewed as a 'spend to save' investment, as there is potential to generate better value for money by using improved tendering processes. Mr Weir advised that he had noted one digital tender of slightly less than £1m and queried whether this was designed to avoid the threshold for Board and Welsh Government approval. Mr Thomas agreed to investigate and bring back the detail of the tender and the authorisation levels to the next meeting. With regards to overpayment of salaries, Mr Weir enquired whether there was any trend or pattern relating to specific departments. Mr Thomas reminded Members that the UHB is taking steps to automate processes, meaning that only a single termination is required, which will terminate access to systems, buildings and salary. This development is in the digital plan for Quarter 3 of the current year. In response to a query regarding whether the ambition is for zero overpayments of salary, Mr Thomas was not confident that this is feasible, whilst committing to reduce levels as far as possible. Automation of systems should greatly improve the position. Referencing the PAYE Settlement Agreement information on page 9 of the report, Mr Davies enquired whether this relates to provision of accommodation for staff during COVID-19. Mr Thomas confirmed that this was the case and that the UHB is awaiting a response from HMRC, who may themselves be awaiting a national view. In relation to a query

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	<p>regarding the re-tendering process for the service currently provided by the British Red Cross (STA HDD563), Mr Thomas agreed to clarify whether this has begun, as it was due to commence in April 2021. Members were reminded that this is a Welsh Government led agreement; however, Mr Thomas was of the opinion that a tendering process should be required for arrangements with Third Sector organisations. Noting the request for ARAC to approve a write off associated with the donation of equipment to India, Mr Newman recalled previous mention of the need for Welsh Government approval. Mr Thomas confirmed that this requirement had been fulfilled by the UHB writing to the Director General, Dr Andrew Goodall.</p>	HT
	<p>The Committee NOTED the report, and APPROVED the losses and debtors write offs noted within.</p>	

AC(21)120	Audit Wales Update	
	<p>Ms Anne Beegan provided an update on Audit Wales' performance audit work, drawing Members' attention to the three reports on the agenda. Members were advised that Phase 2 of the Structured Assessment has now commenced, with interviews and scoping for local audit work being conducted. Ms Beegan would discuss the latter with the Chair of ARAC and Board Secretary. The publication of certain audits is delayed, due in part to prioritisation of COVID-19 related work, and in part to staff shortages. Audit Wales plan to present several reports to the August 2021 ARAC meeting.</p>	
	<p>The Committee NOTED the Audit Wales Update.</p>	

AC(21)121	Structured Assessment 2021: Phase 1 Operational Planning Arrangements	
	<p><i>Mr Lee Davies joined the Committee meeting.</i></p> <p>Ms Beegan introduced the Audit Wales Structured Assessment 2021: Phase 1 Operational Planning Arrangements report, the draft of which had been reviewed by the Chief Executive, Director of Finance, Director of Operations and Board Secretary, which reflects a new approach to Structured Assessment, with the process divided into various modules. The first of these focuses on operational planning, and Phase 2 will focus on governance and financial governance arrangements. Members' attention was drawn to page 5 of the report, where key messages – which are generally positive – are highlighted. These key messages included the need to improve understanding of the 'close down' position and linkages to supporting plans. Also, how the organisation's planning processes link with the Regional Partnership Board (RPB) and issues around capacity. Paragraph 9 highlights the need to clarify reporting and monitoring arrangements, including those to Board and to the People, Planning & Performance Assurance Committee (PPPAC). The report does not currently include a management response; this will be presented to ARAC in August 2021.</p> <p>Mr Lee Davies was welcomed to the meeting, and advised that the report has been considered and discussed in detail. All findings and recommendations are acknowledged and accepted. It will be vital to address each, together with the broader issues around planning. A great deal of work has been undertaken on the UHB's Annual Recovery</p>	

	<p>Plan within the past few weeks; however, work remains necessary on planning processes within the organisation and ensuring that the capacity to support this is in place. Both of these issues are accepted by the UHB. It is intended that the UHB develop an Integrated Medium Term Plan by December 2021. Mr Lee Davies welcomed the report and its findings, and was grateful for Audit Wales' work in this area. In response to a query from the Chair, Mr Lee Davies confirmed that he would include the foregoing statements, together with indicative timescales, within the management response. Professor Gammon verified that this would meet the requirements from a PPPAC perspective, whilst emphasising the need for defined timescales. Professor Gammon acknowledged that the report presents a number of useful recommendations, and suggested that the organisation is in an improved position. It is important, however, to recognise the need to ensure that capacity is provided across teams, rather than solely by individuals. There also needs to be a more robust, inclusive approach to the monitoring of planning. Highlighting statements around linkages with the RPB, which she Chairs, Mrs Hardisty advised that RPB Chairs have approached Welsh Government regarding the feasibility of introducing an integrated national planning framework. Currently, RPBs are required to plan to a different timescale than Health Boards and Local Authorities. The fact that the various statutory bodies are all working to different planning timescales creates a complex situation. Mrs Hardisty advised, therefore, that this issue is under consideration by RPBs, who are awaiting feedback from Welsh Government. Mr Newman concluded discussions by stating that the Committee looks forward to receiving the management response at its next meeting.</p> <p><i>Mr Lee Davies left the Committee meeting.</i></p> <p>The Committee NOTED the Audit Wales Structured Assessment 2021: Phase 1 Operational Planning Arrangements report.</p>	<p>LD</p>
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<p>AC(21)122</p>	<p>COVID-19 Vaccination Roll-out</p> <p><i>Dr Joanne McCarthy joined the Committee meeting.</i></p> <p>Ms Beegan introduced the Audit Wales COVID-19 Vaccination Roll-out report, advising that this had been included in the papers for ARAC on the day it had been published. Similarly to the Test, Trace, Protect report, this report has a national focus. The findings had been positive and recognised the significant progress made in delivering the COVID-19 vaccination programme. The report also considers the challenges and opportunities going forwards, noting the need for cognisance of long term vaccination delivery plans and requirements in terms of resourcing and workforce. Also, the need to focus on potential efficiencies, to maintain a focus on vaccine uptake, and consider risks around increased Did Not Attends (DNAs) and waste. Health Boards should take steps to ensure that positive lessons from implementation of the vaccination programme are retained, and taken forward in other areas; examples include partnership working. Members were advised that Audit Wales is awaiting a response to the report from Welsh Government.</p> <p>Dr Joanne McCarthy highlighted that locally, there has been a slightly lower uptake among ethnic minorities and in deprived communities. To</p>	
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	<p>address this, a Vaccine Equity Group had been established, which has been meeting weekly with a focus on a different group each week, including Black, Asian & Minority Ethnic (BAME) and Gypsies and Travellers. The Group has been led by a newly appointed staff member in Public Health, which is a substantive appointment. Staff in Hywel Dda have been meeting regularly with Welsh Government to ensure vaccine supplies, and HDdUHB is the only Health Board delivering the Moderna vaccine, which has been used effectively. As a result, HDdUHB has not experienced the vaccine supply issues others have and this will assist in meeting the recent commitment to offer second vaccinations to over 40s within 8 weeks of their first. The UHB has submitted its COVID-19 'booster' vaccination plans to Welsh Government, although these are currently heavily caveated, as Health Boards are awaiting guidance on requirements. It is intended that any 'booster' vaccination programme will be complete by February 2022, regardless of the priority groups/ numbers involved. The UHB recognise that it is not possible to sustain all of the current vaccination centres, and are exploring alternatives and moving to new sites when necessary. Vaccine wastage is being minimised, with a good 'rhythm' having been established and only the final vial of the day being an issue. To address this, lists of individuals who can attend at short notice are being maintained. It will be important, however, to reconsider this issue as part of plans for the 'booster' programme, when demand and activity will increase again.</p> <p>Mr Newman welcomed the comprehensive, well-written and positive report, and the opportunities for improvement and learning it identifies, whilst querying how the UHB will monitor and review these. Mrs Wilson advised that the updated local vaccination delivery plan is being considered at PPPAC on 24th June 2021 and will be subject to ongoing monitoring by that committee. Members noted that, as part of the review of vaccination centres, a new site had been identified in Dafen, Llanelli. Mr Thomas suggested that this offers potential strategic opportunities to consider how the UHB might mainstream vaccination delivery; in emergency planning; and in exploring whether other services might be moved from existing hospital sites. Members thanked Dr McCarthy and the Vaccination team for their significant contribution.</p> <p><i>Dr McCarthy left the Committee meeting.</i></p> <p>The Committee NOTED the Audit Wales COVID-19 Vaccination Roll-out report.</p>	
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<p>AC(21)123</p>	<p>Procuring and Supplying PPE for the COVID-19 Pandemic</p> <p><i>Mrs Mandy Rayani joined the Committee meeting.</i></p> <p>Ms Beegan introduced the Audit Wales Procuring and Supplying PPE for the COVID-19 Pandemic report, noting that, again, this is a national report. The findings are broadly positive, with key messages including a recognition of early challenges in procuring PPE, which had been overcome; collaborative approaches between partners; avoidance of the issues reported elsewhere in the UK; due diligence being in place, although Shared Services did not meet the requirements under emergency procurement rules to publish contract award notices within 30 days. The report identifies various examples of learning which should be applied going forward.</p>	
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Referencing the failure to publish contract aware notices within 30 days, Mr Newman suggested that this is a minor issue compared with those highlighted in England, for example. Responding to the report, Mrs Mandy Rayani emphasised that teams in both Welsh Government and Shared Services had been extremely responsive to feedback from Health Boards. Mrs Rayani had undertaken a national role with regards to PPE, representing nurses, and retains a link into the national group. One significant area of learning was around pandemic stock levels, and the importance of maintaining a minimum level of stock. The UHB did engage locally with its Local Authority partners, and established mutual aid arrangements. Members heard that there had been a great deal of opinion expressed by the Royal Colleges with regards to types of PPE. Locally, however, the recommended FFP3 masks are not necessarily the preferred product, with the UHB having to go outside the national process – whilst meeting procurement requirements – in order to source masks which best met the needs of the local workforce.

Professor Gammon welcomed the report, whilst suggesting that its scope is quite narrow, focusing only on the procurement and supply of PPE and not considering its quality. Noting the emphasis on stock levels and supply chains, Professor Gammon was of the opinion that high stock levels are meaningless if PPE is not of appropriate quality and does not meet requirements and infection control standards. It was suggested that the report needs to be taken a step further – to consider the supply and procurement of **quality** PPE. Ms Beegan responded that the audit's scope was restricted to supply and procurement and that, whilst she was not aware of plans to consider quality, she would make enquiries in this regard. Mr Newman echoed Professor Gammon's view, emphasising the need to ensure supply of the correct equipment. Mr Davies noted that there has been anxiety among staff regarding which PPE they should wear and when, and enquired whether there are any plans to review whether national guidance was appropriate. Mrs Rayani advised that the national nosocomial infection group is examining this issue. The frequency and pace at which the guidance had changed had been extremely challenging to respond to, and had impacted on staff confidence; however, the UHB had tried to ensure its communications with staff were clear. The need for those issuing changed guidance to be cognisant of whether the relevant equipment can be readily supplied has been fed back. Noting that a number of professional bodies would have mandated PPE of higher standards, Mrs Rayani was not convinced that this would have made a significant difference to infection control in most cases. The UHB had, however, provided additional PPE and had listened and responded to feedback from staff and national guidance at an early stage. Members heard that the UHB is now facing a challenge in terms of how it returns to 'normal' PPE requirements; however, Mrs Rayani advised that steps are already being taken in this regard. In response to whether there are plans to conduct an audit into national PPE guidance and how it was issued, Ms Beegan recognised that this is a complex matter and explained that Audit Wales are not qualified to offer an opinion on clinical guidance. There are discussions with other Audit bodies being undertaken on a UK-wide basis, and Ms Beegan can enquire as to whether there are plans to consider a review of this type across the four nations.

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	<p>Mr Newman enquired whether any further COVID-19 related reports are due to be published, and was informed that there are none. In reply to a query around how the UHB is learning lessons from the several internal and external audit reports covering the various aspects of its COVID-19 response, Mrs Wilson advised that this requires further consideration. Separately, there will be learning from the preparations for the forthcoming COVID-19 Public Inquiry. Ms Beegan reminded Members that Welsh Government will respond to Audit Wales' report and this will feed into the relevant Public Accounts Committee. Consideration can be given, however, to drawing together a more local view. Concluding discussions, Mr Newman suggested that the information on page 7 of the report 'lays bare' the scale and facts of the PPE procurement.</p> <p><i>Mrs Rayani left the Committee meeting.</i></p>	
	<p>The Committee NOTED the Audit Wales Procuring and Supplying PPE for the COVID-19 Pandemic report.</p>	

AC(21)124	<p>Welsh Health Specialised Services Committee (WHSSC) Governance Arrangements</p>	
	<p>DEFERRED to 24th August 2021 meeting. Mrs Wilson explained that this report needs to be considered by Cwm Taf UHB's Audit Committee in the first instance.</p>	

AC(21)125	<p>Internal Audit Plan Progress Report</p> <p>Mr James Johns presented the Internal Audit Plan Progress report, advising that this is brief at this stage of the year, with the team's main focus being the planning and initiation of a number of audits. The position with regard to several audits has progressed since the report was prepared. Also included within the report is a schedule which indicates when each audit will be presented to ARAC. It is hoped that this provides balanced reporting across the year.</p> <p>Whilst recognising that work is likely to have progressed, Mr Newman queried whether those audits indicated as at 'Planning' stage in the report will be ready for the August 2021 meeting. Mr Johns was satisfied that this was achievable. Noting that no Internal Audit (IA) reports were on today's agenda, Mr Newman enquired whether, if ARAC was able to agree the Internal Audit Plan at an earlier stage, it would be possible to deliver any reports to the June meeting, or whether this is not feasible due to year-end commitments. Mr Johns indicated that the latter does have an impact for the IA team. It had also been the case that the timing of certain audits had been restricted to late in the year; this may change, which might ease some of the year-end pressures. Even so, it was suggested that it would only be possible to present one or two IA reports this early in the year. It was agreed that Mr Johns and Mrs Wilson would explore the feasibility of this for 2022/23. Referencing earlier discussions around the Structured Assessment and Operational Planning, Professor Gammon enquired whether planning processes might be an appropriate area for an Internal Audit this year. Given the nature of certain recommendations and the significance of planning for the future, this would aid in providing the required assurance and accountability to both ARAC and the Board. Mr Johns and Mr Newman agreed that there may be scope</p>	<p>JJ/JW</p>
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	<p>to consider this as part of the 'responsive' element of the IA Plan. It was noted, however, that there are already Internal Audits planned in relation to the Annual Plan and Performance, and it may be more appropriate to consider the scope of these to include what is required. Mr Newman also reminded Members that a management response to the Structured Assessment is being prepared, and it was further noted that the recommendations therein would be incorporated into the UHB's central Audit Tracker.</p> <p>Recalling that a number of Estates and Capital Scheme audits had returned Limited Assurance ratings, Mrs Hardisty enquired whether there is any potential to include audit of other capital schemes, and learning from these, for example, the Cardigan and Aberaeron Integrated Care Centres. Mrs Hardisty was concerned that there does not appear to be a particular focus on this area. Mr Thomas reminded Members that Mr Lee Davies is considering in detail capital project management, and that the findings of this exercise may be ready to review in Quarter 4. In an attempt to provide further assurance, Mrs Wilson reported that she, Mr Thomas and Mr Johns had met with Mr Lee Davies to agree the scope of the capital governance review. Mr Lee Davies will be drafting terms of reference and will share these with Mr Newman and Mr Johns. There will be a brief update in this regard at the August 2021 ARAC meeting, followed by a detailed report in October 2021. Mr Johns also highlighted that time is allocated within the IA Plan for the NWSSP Specialist Estates Services team to undertake audits on specific capital schemes. The team is applying a new approach to how capital schemes are audited, and planning work in this regard is ongoing. Mr Newman suggested that there needs to be a two stage process, with a review of capital projects and how this is reflected in the 'new landscape', followed by testing to ensure that the new processes are delivering. Mr Newman stated that he looked forward to reviewing the first tranche of Internal Audit reports in August 2021.</p>	
	<p>The Committee NOTED progress with the plan for the current year.</p>	

<p>AC(21)126</p>	<p>People, Planning & Performance Assurance Committee Assurance Report around the Discharge of their Terms of Reference</p> <p>Mr Thomas introduced the People, Planning & Performance Assurance Committee (PPPAC) Assurance Report, advising that he was presenting this on behalf of Mrs Lisa Gostling. PPPAC is jointly supported at an Executive level by the Director of Workforce & OD and Director of Planning, with Mr Thomas having undertaken the latter role on a temporary basis until Mr Lee Davies' appointment. Members heard that PPPAC had continued to meet on a bi-monthly basis during the year and that its extensive agenda was reflected in the report. The Committee currently has two Sub-Committees, which will likely need to be considered as part of the forthcoming Committee Structure review. Mr Thomas stated that PPPAC has operated extremely well, ably supported by Mrs Claire Williams, Ms Alison Gittins and Mrs Wilson. Professor Gammon, as PPPAC Chair, had nothing further to add to the report itself. There were challenges in Chairing this Committee, due to the extent of its business; Professor Gammon had attempted to be robust in agenda-setting and in prioritising agenda items/discussions. It has also been important to ensure that Members recognise the role of</p>	
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	<p>the Sub-Committees in discussing issues in detail. There will be further reflection on this role during the review of Committee Structures, and it is hoped that this will lead to improved effectiveness. Professor Gammon concluded by emphasising that he was extremely satisfied with how PPPAC has operated, and with the contribution of Executive Directors to its discussions. Mr Newman suggested that the report clearly demonstrates the extent of PPPAC's work and thanked Professor Gammon, Mr Thomas and Mrs Gostling for their contribution.</p>	
	<p>The Committee NOTED the content of the People, Planning & Performance Assurance Committee Assurance report, and was ASSURED that PPPAC has been operating effectively during 2020/21.</p>	

AC(21)127	Audit Tracker	
	<p>Mrs Wilson introduced the Audit Tracker report, advising Members that this is of the usual format. It will, however, be the final iteration with a separate report on high priority recommendations; as the organisation returns to 'normal business'. Members heard that since April 2021, a further 15 reports have been closed or superseded, with 16 new reports received by the UHB. As at 31st May 2021, there are 99 reports currently open, 60 of which have recommendations that have exceeded their original completion date, this has increased from 48 previously reported in April 2021. This is partly due to the timing of the service schedule and a number of recommendations becoming overdue in April 2021. There is an increase in recommendations where the original implementation date has passed from 84 to 93, and where recommendations have gone beyond six months of their original completion date from 51 to 52 as reported in April 2021. Members were assured that all outstanding recommendations are regularly followed-up with services.</p> <p>Referencing the Mid and West Wales Fire and Rescue Service (MWWFRS) recommendations on page 3 of the report, Mr Davies highlighted that certain of these which had been thought to be resolved had not been completed to the required standard. A further Fire Safety Letter relating to Tregaron Hospital, containing 10 recommendations to be addressed by August 2021 had also been received. Mr Davies queried whether the UHB has sufficient capacity to resolve these issues. Mrs Wilson advised that feedback has been provided to the Director of Estates, Facilities & Capital Management in those cases where recommendations have not been addressed to the required standard. All Fire Safety recommendations are being monitored via the Health & Safety Assurance Committee, which offers a forum for detailed discussion of these issues. Members heard that consideration will be given at the agenda-setting for the August 2021 ARAC meeting to recommencing the programme for scrutiny of outstanding recommendations.</p>	
	<p>The Committee TOOK ASSURANCE on the following:</p> <ul style="list-style-type: none"> • The rolling programme to collate updates from services on a bi-monthly basis in order to report progress to the Committee. 	

AC(21)128	Counter Fraud Update	
	<i>Mr Ben Rees joined the Committee meeting.</i>	

Mr Ben Rees presented the Counter Fraud Update report, highlighting the significant increase in numbers of staff who have completed the mandatory Counter Fraud training. Members' attention was also drawn to the procurement exercise conducted, and the apparently high Non-PO percentage. On further review, it had been identified that the percentage figure included items that were exempt under the NHS Wales No Purchase Order (PO) No Payment Policy, therefore should not have been included as part of the non-compliant data. Further enquiries have identified that, in May 2021 HDdUHB ranked third in Wales for Non-PO compliance.

Noting the review of Fraud Risks associated with external charities currently being undertaken, Mr Newman enquired whether this had been prompted by anything in particular. Mr Rees advised that this was not the case, and that the decision to conduct this review was risk-based. The findings would be presented at the In-Committee session of the August 2021 ARAC meeting. Professor Gammon noted reference in the new NHS Counter Fraud Authority Quality Assurance Standards to outcome metrics, and enquired as to progress with implementing these. In response, Mr Rees advised that the UHB does submit data metrics currently, albeit not to the extent required in the new standards. Going forward, data on risk assessment, proactive work and fraud analysis will also be included. This should facilitate the effective identification of risks and potential areas for improvement. Members were reminded that 2021/22 is being viewed as a transitional/learning year, with the new standards to be fully implemented next year. Professor Gammon enquired whether standardised metrics will enable benchmarking across organisations and was informed that it will, together with the sharing of good practice.

Mr Weir commended the HDdUHB Counter Fraud Newsletter, 'The Fraud Reporter', and queried whether other Health Boards produce similar and whether these are shared. Also, how widely the newsletter is distributed within the organisation, in order to ensure that the important messages therein are conveyed to UHB staff. Mr Weir highlighted in particular the case of an accountant who defrauded a number of NHS trusts in England. Mr Rees replied that various mechanisms are employed to disseminate the newsletter. In regards to the first query, HDdUHB work closely with neighbouring Health Boards to share experiences and knowledge. The new Clue 3 system will further facilitate and enhance this process. Mr Thomas reminded Members that the Counter Fraud department sits within the Finance team, and assured them that messages around fraud are well accepted and acknowledged within that environment. There are extremely robust controls around extraction of finances and, whilst there may be more potential for fraud via misrepresentation, relevant controls are also in place. In response to a query regarding whether the new outcome metrics will feature in future Counter Fraud reports, Mr Rees suggested that this will probably not be possible until next year, when CFS Wales issue this information more widely.

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

AC(21)129	An overview of Quality Governance Arrangements at Cwm Taf Morgannwg University Health Board: A summary of progress made against recommendations	
	Ms Beegan advised that this document represents a follow-up to the previous report. In response to a query around whether the report should be considered by QSEAC, Mrs Wilson suggested that the Audit Wales work around local quality governance arrangements will be more relevant. Ms Beegan agreed, noting that the latter reflects the exercise conducted at Cwm Taf UHB.	
	The Committee NOTED the Overview of Quality Governance Arrangements at Cwm Taf Morgannwg University Health Board: A summary of progress made against recommendations.	
AC(21)130	Healthcare Inspectorate Wales Inspection Information Leaflet: Frontline Services	
	The Committee NOTED the Healthcare Inspectorate Wales Inspection Information Leaflet: Frontline Services.	
AC(21)131	Audit & Risk Assurance Committee Work Programme 2021/22	
	The Committee NOTED the ARAC Work Programme.	
AC(21)132	Any Other Business	
	There was no other business reported.	
AC(21)133	Reflective Summary of the Meeting	
	With regards to the reflective summary of the meeting, which will form the basis of the ARAC Update Report, there were no items requiring highlighting and escalating to the Board. A summary of discussions would be included, however.	
AC(21)134	Date and Time of Next Meeting	
	9.30am, 24 th August 2021	