

**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, 25 th June 2019
Venue:	Boardroom, Corporate Offices, Ystwyth Building, St David's Park, Carmarthen

Present:	Mr Paul Newman, Interim Vice-Chair (Committee Chair) Mr Mike Lewis, Independent Member (Committee Vice-Chair) Mr David Powell, Independent Member Mr Owen Burt, Independent Member Cllr. Simon Hancock, Independent Member
In Attendance:	Ms Anne Beegan, Wales Audit Office Mr Jeremy Saunders, Wales Audit Office Mr Simon Cookson, Director of Audit & Assurance, NWSSP Mr James Johns, Head of Internal Audit Mrs Joanne Wilson, Board Secretary Mr Huw Thomas, Director of Finance Mrs Charlotte Beare, Head of Assurance and Risk Mrs Mandy Rayani, Director of Nursing, Quality & Patient Experience (part) Ms Sarah Jennings, Director of Partnerships & Corporate Services (part) Ms Stephanie Hire, General Manager, Scheduled Care (part) Ms Diane Knight, Service Delivery Manager, Theatre Services (part) Mr Scott Lavender, All Wales Post Payment Verification Manager (part) Mrs Sue Tillman, Post Payment Verification Location Manager (part) Ms Clare Moorcroft, Committee Services Officer (Minutes)

Agenda Item	Item	
AC(19)129	Introductions and Apologies for Absence Mr Paul Newman, Audit & Risk Assurance Committee (ARAC) Chair, welcomed everyone to the meeting. Apologies for absence were received from: <ul style="list-style-type: none"> Mr Steve Moore, Chief Executive Mr Joe Teape, Deputy Chief Executive/Director of Operations 	
AC(19)130	Declaration of Interests No declarations of interest were made.	
AC(19)131	Minutes of the Meeting held on 29th May 2019 RESOLVED – that the minutes of the Audit & Risk Assurance Committee meeting held on 29 th May 2019 be APPROVED as a correct record.	
AC(19)132	Table of Actions An update was provided on the Table of Actions from the meeting held on 29 th May 2019 and confirmation received that outstanding actions had been progressed. Mrs Joanne Wilson advised that the timescales for a number of actions had been changed, as detailed in the Table of	

	<p>Actions. In terms of Matters Arising:</p> <p>AC(18)246 – the attached briefing paper is for Members to note.</p> <p>AC(19)06 – whilst noting that this work is progressing via the Finance Committee, it was emphasised that ARAC will need to be provided with the required assurance and maintain a watching brief on this item.</p> <p>AC(19)64 – Members noted that Mrs Wilson and Mrs Charlotte Beare had met with representatives from the Estates team to discuss the management response, an updated version of which is appended to the Table of Actions which had incorporated most of the suggested improvements. Mr Owen Burt noted that there is reference on page 20 to Cloud coverage and the issue this may cause with use of iPads, and suggested that this is a statement rather than a solution. Mrs Beare advised that, where Cloud coverage is an issue, there are additional (manual) systems in place, with the information uploaded later. Referencing the comment on page 15 that Estates are ‘Awaiting release of capital and infrastructure funding’; Mr Newman suggested that this is a somewhat unsatisfactory response, which does not address the recommendation, as funding may never be available. Ms Beare advised that there is a great deal of demand on capital, and that this results in a number of delays. Mr Newman reminded Members that the UHB’s performance around infection rates has been challenging for some time, and suggested that cleaning audits are not unconnected. It was agreed that the issue of lack of capital investment, its impact on ability to improve cleaning audit levels and potential implications for infection rates should be highlighted to Board. Mr David Powell, Chair of the Business Planning & Performance Assurance Committee, emphasised that capital is particularly limited this year; as, of the £7m Discretionary Capital Programme funding available, £3m is pre-committed. Mr Newman suggested that this is likely to produce a cumulative effect, with the backlog of estates issues continuing to grow. Members were reminded that Internal Audit will be conducting a follow-up audit in this area during Quarter 4 and will be assessing the actions undertaken and improvements made. Furthermore, it was agreed further feedback would be provided to the Director of Estates and Facilities in respect of SMART responses utilising the response above as an example.</p> <p><i>Mr Huw Thomas joined the Committee meeting.</i></p>	<p>JW</p> <p>CB</p>
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AC(19)133	Matters Arising not on the Agenda	
	There were no matters arising not on the agenda.	

AC(19)134	Feedback from the Targeted Intervention Meeting held on 13th May 2019	
	Mr Huw Thomas presented the Committee with an update from the Targeted Intervention meeting with Welsh Government (WG) held on 13 th May 2019. Members were advised that the accompanying letter from WG dated 21 st June 2019 had been circulated to Independent Members and Executive Directors. Mr Thomas advised that the Targeted Intervention meeting had been a positive one, although WG	

continue to express concern regarding this year's financial performance, and delivery of the additional £5m savings required by the revised Control Total. WG had also referenced the deterioration in Referral to Treatment and Diagnostics performance seen in Month 1, whilst noting the UHB's assurances that plans are in place to address this going forward. Unscheduled Care performance remains an area of significant concern, particularly at Withybush General Hospital. WG has also suggested that the trajectory of improvement in terms of Infection Control is not sufficient, and they plan to revisit this issue. Members heard that there had also been a Joint Executive Team (JET) meeting with Welsh Government on 19th June 2019; Mr Thomas advised that JET discussions are more 'rounded' and had included topics such as Public Health and Quality and Safety. The meeting had again been positive, although WG representatives had given the sense that they need to see rhetoric around the new Health & Care Strategy converted into tangible actions. For example, in terms of Public Health; what will change this year, what will look different?

Noting the allusion to a positive atmosphere, Cllr. Simon Hancock observed that the tone of the subsequent letter was more negative. This had happened on a number of occasions, and Cllr. Hancock enquired whether UHB representatives routinely take minutes at these meetings. Mr Thomas confirmed that this is the case, whilst suggesting that Targeted Intervention letters will tend to be more 'challenging' in tone. Mrs Wilson advised that the Interim Chair had raised this matter at the Board Seminar on 20th June 2019, reporting that feedback had been received from Dr Andrew Goodall commending the UHB on their input at the JET meeting. Mr Powell noted concerns in the letter from WG that only 40% of savings are identified as achievable, contrasting this with information presented at the Board Seminar. It was suggested that there is an issue with different perceptions, and that perhaps WG's more pessimistic evaluation is correct. Mr Powell agreed with WG's assessment that savings schemes rated Amber should not be regarded as achievable. Reminding Members that a new Control Total had been imposed on the UHB, and that WG had indicated that this methodology had been used successfully with other Health Boards, Mr Newman enquired whether there had been any discussion of how WG intend to support the UHB in achieving the required control total. Mr Thomas emphasised that the new Control Total reflects WG's confidence in the UHB's abilities, and that this approach has worked elsewhere; although maintaining performance may be more challenging.

Whilst accepting these comments, Mr Newman enquired whether any detail had been provided around how other Health Boards had achieved a reduced Control Total, so that the UHB can apply learning from elsewhere. Mr Thomas stated that, to his knowledge, WG's focus had been to identify poor management practices and suggested that most of the savings were probably non-recurrent. Mr Thomas was not aware of any highly innovative savings approaches taken by the other Health Boards concerned. Whilst the organisation is being challenged appreciably by WG, the UHB's most significant issue is not necessarily short-term savings (as these are managed via the Turnaround process); it is a lack of understanding regarding the underlying deficit. Further analysis is required in terms of cost pressures by areas of delivery (site

	<p>and specialty), in order to determine potential savings available in the short-, medium- and long-term. Also, to assess what proportion of cost pressures fall into the Zero Based Review funding of £27m, which is inaccessible. This analysis will lead to the definition of a pipeline of savings opportunities. Mr Thomas emphasised that the UHB will need to be open and honest, suggesting that this exercise will offer an opportunity to produce a 'financial blueprint' for the organisation. Whilst recognising that the wording differs, Mr Mike Lewis noted that the letter from WG continues to express concerns around a lack of understanding in terms of the reasons for the UHB's underlying deficit. Mr Thomas emphasised that the piece of work to identify where and how the organisation's deficit has arisen is a challenging one. The deficit is long-standing; and is likely to have been in existence since before the UHB was established. Mr Thomas suggested that, whilst challenges remain, the UHB is gaining credibility with WG. Mr Thomas concluded by providing an overview of the work WG has commissioned in relation to understanding the financial deficit noting the contract has been let with work due to commence imminently.</p>	
	<p>The Committee NOTED the update from the Targeted Intervention meeting held on 13th May 2019.</p>	

<p>AC(19)135</p>	<p>Annual Review of the Committee's Self-Assessment of Effectiveness</p> <p>Mrs Wilson presented the outcome report for the Annual Review of the Committee's Self-Assessment of Effectiveness, which builds on the information presented to the April 2019 meeting. Mrs Wilson noted the pleasing response rate, with all six Members and five of the eight In-Attendance Members having completed the survey. The feedback received suggests that ARAC is operating well as a Committee, although the following were identified as areas for improvement:</p> <ul style="list-style-type: none"> • Quality of Management Responses to internal and external audits; • Senior managers/clinicians from relevant departments attending to present audit responses; • Better understanding of the risk register. <p>Mrs Wilson assured Members that steps will be taken to address the above concerns and suggestions.</p> <p>The Committee:</p> <ul style="list-style-type: none"> • DISCUSSED the findings of the ARAC self-assessment exercise 2018/19; • SUPPORTED the suggested actions by the Lead Director (the Board Secretary), Director of Finance and Finance Team and Corporate Governance Team; • CONSIDERED further improvements that could be made to improve the Committee's effectiveness. 	
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AC(19)136	Financial Assurance Report	
	<p>Mr Thomas introduced the Financial Assurance Report, advising that this follows the standard format. There have been no significant changes since the previous report, although Members heard that the UHB is undertaking a great deal of work around tax compliance. Mr Thomas was pleased to report that the organisation has developed a good working relationship with HMRC and that if there are no issues this year, HMRC has indicated that they will 'de-risk' the UHB. The organisation has commissioned an external provider to produce a report on key tax risks, which Mr Thomas will present to the In-Committee session of a future meeting.</p>	HT
	<p>With regards to the GP Out of Hours IR35 tax issue, Mr Lewis reiterated his disappointment that the HMRC still appears to be pursuing the UHB on this matter, rather than individual GPs. Mr Lewis was especially concerned by the issue of penalties due to late submission of tax returns by GPs. Mr Thomas shared these concerns, whilst reminding Members that this is a national issue and that it will be embedded in processes going forward. Noting that the UHB has provided £667,539 in total in respect of this matter and that the maximum liability is now £401,744, Mr Newman observed that there is an over-provision of approximately £260k. Referencing overpayment of salaries, Mr Powell noted that the timescale for recovery is showing an upward trend, with no accompanying explanation. Mr Thomas explained that the sums in question are still being repaid within 3 months and suggested that this is not a major cause for concern. Cllr. Hancock reminded Members that a policy regarding underpayments and overpayments had been introduced in March 2018, stating that the graph on page 7 suggests that this has not had the desired impact. Whilst emphasising that the quantum outstanding is not a hugely significant figure, Mr Thomas agreed that the policy has not had the anticipated impact and would provide an update via the Table of Actions as to the further actions that were being undertaken to rectify this situation.</p>	HT
	<p>Referencing the list of Single Tender Actions (STAs) detailed in Appendix 1, Mr Powell highlighted the principle of awarding these for multiple-phase projects and programmes demonstrated by HDD454. It was suggested that in cases such as this, detail should be provided regarding the cumulative total/commitment for all phases. Mrs Wilson assured Members that this particular STA had been discussed in detail, particularly in view of the sum of money involved. It had been agreed that such projects would, in future, be subject to a full tendering process. Mr Thomas observed that Organisational Development is an area where further work is required in terms of an establishing a substantive budget, and committed to discuss this with the Director of Workforce & OD. Members were assured that STA usage is closely monitored, and Mr Thomas hoped that the graph on page 7 demonstrates the general downward trend in STAs. Referencing Appendix 5, Mr Newman enquired whether the pharmacy wastage figure of £23k is consistent with projections. Mr Thomas advised that it is, and that it is also consistent with other Health Boards. In response to a query regarding the Bronglais General Hospital Front of House Capital Scheme, Mr Thomas advised that this is accrued for in the end of year capital and that an update will be provided to the next meeting.</p>	HT
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	<p>Likewise, there will be an update regarding the external review into net deduction leased car schemes. Referencing Appendix 4, Mr Newman noted that outstanding receivables from Carmarthenshire County Council seem to appear on this list regularly. Mr Thomas advised that the UHB is focusing on billing arrangements with all three Local Authorities. Finally, Mr Newman enquired regarding the STA listed in Appendix 7 for Gofal, with a value of £306k, and whether this relates to repatriation of patients. Mr Thomas confirmed that this is the case. Members were informed that Appendix 8, referred to on page 7, is the briefing paper appended to the Table of Actions on Contractor Insolvency and/or Liquidation.</p>	<p>HT</p>
	<p>The Committee NOTED the report and APPROVED the losses and debtors write offs noted within</p>	

<p>AC(19)137</p>	<p>Post Payment Verification (PVV) Update</p> <p><i>Mr Matthew Evans, Mr Scott Lavender, Mrs Sue Tillman, Ms Stephanie Hire and Ms Diane Knight joined the Committee meeting.</i></p> <p>Mr Scott Lavender presented the Post Payment Verification (PPV) Update, advising that this is the last version of this report format. An All Wales analyst has been employed, and there will be a new format for PPV reports going forward, which will include Health Board statistics and mapping against All Wales averages. This will result in a more intuitive report, which will assist in supporting and training practices. Mr Lavender advised that communication and liaison between the PPV team and Primary Care team has been good, as has liaison with the Local Counter Fraud team.</p> <p>Mr Powell noted the statement on the final page of the PPV Progress Report relating to an ongoing project around provision of remote access with regard to GMS visits, and requested further clarification. Mr Lavender explained that this is intended to allow the PPV team remote access to GP patient records, to negate the need for and impact of visits to practices. To ensure compliance with Information Governance requirements, there will be legal agreements regarding the time period during which patient records may be accessed, and the practice will remove access once PPV activities have been completed. Referencing Appendix 1, Mr Lewis expressed concern regarding the error rate for Practice 6 and enquired what triggers a revisit or further action in cases such as this. Mr Lavender advised that reports are submitted to the UHB and that there are discussions with the Primary Care team around the next steps. Ultimately, it is for Health Boards to decide on what action should be taken. Mrs Sue Tillman added that the PPV team would always recommend a shorter time period before for revisit in such cases and that Health Boards may also request further details and take this up directly with the practice. Mr Lewis was concerned that these measures are somewhat subjective, and suggested that more specific criteria should exist for determining whether a revisit is required. Mr Lavender was hopeful that the new reporting style for PPV will show any patterns and trends and allow more effective application of thresholds. Mr Matthew Evans added that Counter Fraud have an overview of PPV data, and will be training the Primary Care team in Fraud Prevention within the next month.</p>	
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	<p>Sharing Mr Lewis' concerns, Mr Newman suggested that the actions to date do not appear to be working, with the highest error rates tending to be in those practices which are being revisited. It would be reasonable to expect that those practices who have received additional training and support would show improved performance, however, these does not appear to be the case. Mr Newman enquired at what point further visits and interventions are triggered, rather than additional training. Whilst emphasising that the numbers involved are not high, Mr Thomas agreed that more robust responses are required, if there are continued high error rates following revisits and provision of support and training. It might be appropriate for Counter Fraud and/or Internal Audit to conduct further investigations in this area. It was agreed that Mr Thomas would consider a more focused response and escalation process in cases of continued high error rates. Mr Owen Burt suggested that in cases of poor performance on revisit, it would be useful to see a comparison between error rates at the first revisit and the second revisit, in order to judge whether there has been any improvement. Mr Thomas agreed to work with the PPV team and provide this information to the next ARAC. Mrs Tillman explained that there are prescribed processes relating to claims, such as those for patients in care homes, and that on occasion these are misinterpreted by practices. Mr Lavender was hopeful that the new report will highlight themes such as this. Mr Simon Cookson noted that Ophthalmic payments relating to care homes had been highlighted as a particular issue nationally.</p> <p><i>Mr Evans, Mr Lavender and Mrs Tillman left the Committee meeting.</i></p> <p>The Committee NOTED the contents of the PPV Update report.</p>	<p>HT</p> <p>HT</p>
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<p>AC(19)138</p>	<p>Operating Theatres Update (response to WAO & IA reviews)</p> <p>Ms Stephanie Hire introduced the Operating Theatres Update report, suggesting that, whilst there were items outstanding, there have been general improvements in this area. Ms Diane Knight agreed, advising that there are several areas in which improvement work is taking place and that this has been made core business. Ms Knight provided updates on the two outstanding recommendations, which related to Finding 4 and Finding 10 of the Internal Audit report, details as follows:</p> <p>Finding 4: Routine claiming of whole shift during on-call period by Operating Department Practitioners (ODPs) at Glangwili General Hospital. It had been determined that a formal night shift should be established. There had been a mixed response from staff, however the current situation was not sustainable from a quality and safety perspective. An establishment review and cost analysis had been conducted and completed and it was intended to provide a final draft of an SBAR to the Deputy Chief Executive/Director of Operations by the end of this week. Ms Knight emphasised that it is sensible to bring practice into line with other clinical areas.</p> <p>Finding 10: Allocation of routine rest days following on-call shifts, regardless of whether the staff member has been called in to Bronglais General Hospital. Although this practice contravenes Agenda for Change arrangements, attempts to change it have been the subject of ongoing HR related discussions lasting in excess of 18 months. An update was provided in relation to the situation with compensatory rest</p>	
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	<p>days and the night shift</p> <p>Referencing the costing figures on page 4, Mr Powell noted that the cost of implementing the new arrangement (£306k) is approximately equal to the current cost (£298k) and queried whether this comprises substitution or pay protection. Members noted that the additional cost would be for a period of 12 months only. Ms Knight emphasised that there is an ongoing formal consultation process with staff, who are fully aware of proposals. In response to a suggestion from Mr Newman that addressing Finding 10 was currently more uncertain, Ms Hire provided an overview of the issues remaining relating to compensatory rest days and the associated HR advice noting this arrangement is inconsistent with the rest of the UHB and is not correct practice. Ms Hire emphasised that patients and patient care should be the priority, which requires appropriate staffing. Ms Knight advised that the experience of the ODPs since moving to a night shift system has been very positive, with the benefits of this reported. On a wider level, steps are being taken to bring together members of theatre teams in the various specialties to share their experience and examples of good practice, with positive results thus far. Mr Thomas suggested that the report (both written and verbal) presented to ARAC does not necessarily reflect the amount of effort expended by the team to implement these recommendations, and thanked Ms Hire and Ms Knight for their work. Mr Newman echoed this sentiment, emphasising that the theatres management team is taking actions at the behest of the UHB and has the support of the UHB in doing so. It was requested that there be a further update to the next meeting, via the Table of Actions.</p> <p><i>Ms Hire and Ms Knight left the Committee meeting.</i></p>	<p>JT</p>
	<p>The Committee RECEIVED the report and was ASSURED that the majority of recommendations and findings raised by the two reviews noted above have been achieved; and that those remaining are actively being managed, with actions in place which support embedded processes.</p>	
<p>AC(19)139</p>	<p>Wales Audit Office Update Report</p> <p>Mr Jeremy Saunders introduced the Wales Audit Office (WAO) Update report, informing Members that the UHB's final accounts had been signed off by the Auditor General. Charitable Funds audit work was progressing; it was hoped that this would be completed in time to report to the Charitable Funds Committee meeting in September 2019. Referencing performance audit, Ms Anne Beegan reminded Members that the Review of Operational Quality & Safety Arrangements appears on the agenda. Publication of the national Integrated Care Fund (ICF) Review has been further delayed until 4th July 2019. Ms Beegan would be meeting with Mr Joe Teape next week to discuss the Orthopaedics Follow-up Review. Members' attention was drawn to the national outputs detailed on page 7 of the report, particularly the interactive NHS Wales Finances Data Tool.</p> <p>The Committee NOTED the Wales Audit Office Update Report.</p>	
<p>AC(19)140</p>	<p>WAO Review of Operational Quality & Safety Arrangements</p> <p><i>Mrs Mandy Rayani joined the Committee meeting.</i></p> <p>Mrs Beegan presented the WAO Review of Operational Quality &</p>	

Safety Arrangements, advising that there had been discussions with the ARAC Chair and Executive Lead regarding whether this report should be presented to ARAC without a management response. It was noted that opportunity had not been afforded to the Executive Lead to co-ordinate the management as the report had been received the day that ARAC papers were scheduled to be issued. Members heard that the report would be submitted to the Quality, Safety & Experience Assurance Committee (QSEAC) for discussion before consideration again by ARAC, together with the management response. Ms Beegan briefly summarised the findings, advising that, whilst a number of the UHB's quality and safety arrangements are very good, there is a perceived disconnect in some areas between committee level and directorate level. A number of recommendations have been made which are intended to address this. These include recommendations relating to the Operational Quality, Safety and Experience Sub-Committee (QSESC), including its membership; and how Primary Care feeds into quality and safety processes, with the suggestion that there should be a single system; and corporate arrangements. Ms Beegan suggested that recent events at the former Cwm Taf UHB demonstrate the importance of robust quality and safety arrangements.

Mr Newman, whilst acknowledging that it was unusual for a report to be presented without a management response, requested that Mrs Mandy Rayani offer her initial thoughts and comments. Mrs Rayani advised that she is undertaking discussions with the Medical Director around increasing medical engagement as this is a common theme that is being raised across the Health Board. The Organisational Change Process (OCP) relating to the Medical Directorate is being issued on 1st July 2019, beginning a period of formal consultation. However, the post of Associate Medical Director for Quality is being recruited outside of this OCP, as a matter of priority. Quality Leads for each of the four acute sites have been identified and Mrs Rayani will work with Dr Philip Kloer to brief the relevant post-holders. In response to suggestions of a lack of standardisation, Mrs Rayani will work with the Corporate Governance team to explore standardisation of agendas and templates, etc. Initial feedback has been received from colleagues in Mental Health & Learning Disabilities (MHLD) regarding the recommendation that the MHLD Quality, Safety and Experience Sub-Committee be merged with the Operational QSESC. Preliminary discussions have taken place between the Director of Therapies & Health Science and the Director of Primary Care, Community & Long Term Care regarding Primary Care input, which Mrs Rayani will follow up. Mrs Rayani assured Members that conversations around the findings of the review have begun.

Mr Powell expressed surprise regarding Recommendation 3a, which suggests merging the MHLD Quality, Safety and Experience Sub-Committee with the Operational QSESC. Noting that the latter has experienced various issues, Mr Powell suggested that merging it with another sub-committee may cause further challenges. It was also suggested that this action may result in a forum which is unwieldy and which potentially duplicates the remit of QSEAC. Ms Beegan emphasised that it is difficult to consider common themes if individual directorates sit outside the main quality and safety governance

	<p>structure. Mrs Rayani agreed, noting that this reflects one of the outstanding development areas for QSEAC, whilst recognising that there will need to be a managed approach to this matter. The MHLD Quality, Safety and Experience Sub-Committee is operated in a different way, demonstrating the need for standardisation. Mr Newman welcomed the report; stating that, whilst a number of Independent Board Members had expressed concerns regarding the local quality and safety arrangements, the relevant evidence had not previously existed. The review and report had provided the detail required.</p> <p><i>Mrs Rayani left the Committee meeting.</i></p>	
	<p>The Committee NOTED the WAO Review of Operational Quality & Safety Arrangements and REQUESTED the management response be prepared for the August 2019 ARAC meeting.</p>	MR
AC(19)141	<p>WAO Structured Assessment 2017 and 2018 – Progress to Date</p> <p>Mrs Wilson outlined the WAO Structured Assessment 2017 and 2018 report, advising that both action plans had been updated. With regards to SA2017, one recommendation, Recommendation 10 remains outstanding, with a (revised) expected implementation date of August 2019. In respect of SA2018, three recommendations are on track for implementation, and one is behind schedule. Full details are contained within the report.</p> <p>Referencing SA2017 Recommendation 10, Mr Powell suggested that the constant revision of implementation date is regrettable, and that it would have been more sensible and mature to set a realistic timescale at the beginning. Mr Newman reported that he had recently attended a national Primary Care Board meeting, at which there had been a suggestion that an All Wales set of data would be available by the end of July 2019. This would potentially seem to address the outstanding action around development of a Primary Care dashboard.</p> <p>The Committee DISCUSSED and CONSIDERED progress made in respect of the recommendations from the Structured Assessment 2017 and 2018.</p>	JW
AC(19)142	<p>WAO Integrated Care Fund (ICF) Review</p> <p>DEFERRED to 27th August 2019.</p>	
AC(19)143	<p>Response to AGW Report: What's the hold up? Discharging Patients in Wales</p> <p>DEFERRED to 27th August 2019.</p>	
AC(19)144	<p>WAO Review of Primary Care (including local update)</p> <p>DEFERRED to 27th August 2019.</p>	
AC(19)145	<p>Internal Audit Plan Progress Report</p> <p>Mr James Johns presented the Internal Audit (IA) Plan Progress report, highlighting audits completed since the previous meeting, as detailed in the table on page 2/3. Work is also underway on audits in the 2019/20 IA Plan. Mr Johns advised that information regarding scheduling of IA reports has been provided and included in the ARAC Workplan. Mr Newman requested that, should there be a need to change the</p>	

	scheduling of reports, changes be highlighted in red text and an explanatory note provided and also to include the amount of days spent on each audit within the plan as previously discussed with Mr Johns.	JJ
	The Committee CONSIDERED the Internal Audit Progress Report and the assurance available from the finalised Internal Audit reports.	

AC(19)146	Health and Care Standards (Reasonable Assurance)	
	Mr Johns presented the Health and Care Standards report, advising Members that this audit is conducted on an annual basis. It examines the various processes in place and how these are utilised and embedded. Three medium level recommendations had been made and an overall assurance rating of Reasonable Assurance awarded.	
	The Committee NOTED the Health and Care Standards (Reasonable Assurance) report.	

AC(19)147	Savings Planning & Cost Improvement Programmes (CIP) (Reasonable Assurance)	
	Mr Johns presented the Savings Planning & Cost Improvement Programmes (CIP) report, advising that this is a piece of work which had examined a sample of Cost Improvement Programmes and the rigour and robustness of these, together with how they are managed. Three recommendations had been made, around management training, delivery plans and Project Initiation Documents (PIDs) and External Quality Assessments (EQAs). An assurance rating of Reasonable Assurance had been awarded.	
	Mr Thomas advised Members that the CIPs sampled had been from 2018/19, although the exercise had provided a useful review of processes. With regard to PIDs and EQAs, steps are being taken to ensure these are in place for all savings plans. The recommendation around training is helpful, although further clarification is required in terms of what this will mean in practice. Noting the reference on page 9 to an electronic Project Management system which went live in April 2019, Mr Burt enquired whether this is delivering the results expected. Mr Thomas explained that, whilst it is currently too early to judge, this system is intended to be the repository for all information on savings schemes. There may also be scope to develop its use further. Mr Powell noted that the report concentrates on CIPs and does not consider the wider savings 'arena' of Turnaround and the larger savings schemes, suggesting that this is somewhat ambiguous. Mr Thomas advised that the audit was intended to encompass these other elements. Whilst the UHB had not delivered the full complement of savings last year, and delivery is a risk again this year, this does not mean that the relevant processes are missing or incorrect. Mr Powell suggested that this is the key distinction which should be made in considering the report. Whilst agreeing that this is a valid comment, Mr Cookson advised that he and Mr Johns had attended meetings which were part of the Holding to Account process, and suggested that this process has the potential to provide the assurance required. Mr Lewis queried whether there is a 'cultural' connection between PIDs not being in place last year due to people not appreciating their importance, and a lack of success in achieving savings. Mr Thomas stated that it was clear that savings plans had not been in place sufficiently early last year; this was also the case for PIDs. The issue is partly cultural and partly due to	

	<p>a lack of control environment and accountability processes. There is greater clarity this year regarding expectations of budget managers. Mr Newman expressed concern that the management response to Finding 1 could be viewed as somewhat complacent. It is useful to see the need for training identified, and management need to recognise that there will be staff turnover. Mr Thomas agreed that CIP management training needs to be systemised and embedded.</p>	
	<p>The Committee NOTED the Savings Planning & Cost Improvement Programme (CIP) (Reasonable Assurance) report.</p>	

AC(19)148	Budgetary Planning (Reasonable Assurance)	
	<p>Mr Johns introduced the Budgetary Planning report, advising that this is prospective as well as retrospective and had examined whether appropriate processes are in place. Whilst the audit had confirmed that robust processes are in place, there are still significant financial challenges. Two recommendations had been identified, relating to procedures which required updating/developing, and outstanding Accountable Officer letters which relate to the signing off of budgets.</p> <p>In response to a query from Cllr. Hancock, Mr Thomas advised that, of the 51 Accountable Officer letters, 2 or 3 were outstanding. These were corporate rather than operational budgets, were not material and had been escalated to the Chief Executive. Mr Newman endorsed the need to reflect the importance and seriousness of signing these letters and enquired whether there has been a change in attitude towards this process. Mr Thomas stated that there has been a change to a certain extent, with a lessening of the expectation that there can be negotiation on budgets at this stage. The responses feel more mature, with a change in language and an increased acceptance of responsibility. Budget holders are identifying risks rather than presenting these as caveats for non-delivery, and risks are more focused/better worded. It was agreed that Mr Thomas would provide an update on the number of outstanding authorised accountability letters via the Table of Actions.</p>	HT
	<p>The Committee NOTED the Budgetary Planning (Reasonable Assurance) report.</p>	

AC(19)149	Asset Management Systems Briefing Note	
	<p>Mr Johns presented the Asset Management Systems Briefing Note report, advising that this encompassed all Health Boards with the intention that examples of good practice could be shared. There are a great deal of similarities between Health Boards; whilst a couple of areas of disparity exist, these are not major. It appears that there is already a good dialogue between Health Boards generally.</p> <p>Referencing page 2, Mr Powell noted that several departments are operating independent asset registers. There is, however, no suggestion that these should be consolidated with the main system. Mr Powell expressed concern that the connection with the original IA report into the Procurement and Disposal of IT Assets has been lost, and that this briefing note does not address ARAC's concerns. Mr Thomas stated that he is happy to add a further recommendation/matter for consideration to the report to address Mr Powell's concern.</p>	HT
	<p>The Committee NOTED the Asset Management Systems Briefing Note.</p>	

AC(19)150	Annual Quality Statement	
	DEFERRED to 27 th August 2019.	
AC(19)151	Quality Assurance and Improvement Programme	
	DEFERRED to 27 th August 2019.	
	<p>Members noted that this report has been available for some time; however, it needs to be considered via the Velindre NHS Trust governance processes. Mr Cookson committed to check whether this process needs to be followed in future, or whether the report can come directly to ARAC.</p>	SC
AC(19)152	University Partnership Board Assurance Report around the Discharge of their Terms of Reference	
	<i>Ms Sarah Jennings joined the Committee meeting.</i>	
	<p>Ms Sarah Jennings presented the University Partnership Board (UPB) Assurance Report, reminding Members that the UPB has developed a 3 year strategy, approved by Board. A review of the University status of the Health Board is about to commence, and UPB will be developing a new strategy and will be reviewing its membership and terms of reference in response to both of these matters.</p>	
	<p>Mr Newman commended the report and the considerable amount of work undertaken by UPB which it outlines. Mr Newman enquired whether there has been any analysis of the tangible benefits offered by the UHB's relationship with its university partners. Ms Jennings advised that a workshop took place in February 2019, at which it had been agreed that each university partner would present a response to the UHB's Health & Care Strategy. Whilst a number of the individual projects with university partners do have measurable, tangible patient benefits, 'mainstreaming' these can be challenging. Members were assured that the Chair of UPB is extremely focused on evaluating projects and their outcomes for patients.</p>	
	<i>Ms Jennings left the Committee meeting.</i>	
	<p>The Committee NOTED the content of the report and was ASSURED that the University Partnership Board has been operating effectively during 2018/19.</p>	
AC(19)153	Audit Tracker	
	<p>Mrs Wilson presented the UHB Central Tracker, drawing Members' attention to the 81 reports currently open, 42 of which have now passed their original completion date. This equates to 123 overdue recommendations. Mrs Wilson suggested that consideration be given to which Lead Executives/Officers be invited to attend ARAC as part of its holding to account process.</p>	
	<p>Mr Newman noted that in certain cases, the 'latest information' is quite dated, and enquired whether this reflects a lack of responses. Mrs Beare advised that this is not the case; the process is being aligned with Executive Director performance reviews, which are held on a quarterly basis. Further consideration is also required to determine</p>	

	<p>which of the outstanding recommendations are truly within the gift of the UHB to address. In terms of potential subjects for the holding to account process, Mr Newman suggested that the HIW Inspection of Worthybush General Hospital (WGH) Ward 1, 10 and 12 might be appropriate. Mrs Beare advised that an update to this report was pending, and Mr Thomas and Mrs Wilson emphasised that WGH is currently experiencing a great deal of challenge in the Unscheduled Care system and therefore reviewing the timing would be helpful. Mr Newman did not wish to exacerbate an already difficult situation and agreed to discuss this with Mrs Wilson and Mrs Beare at agenda-setting.</p>	PN/JW /CB
	<p>The Committee:</p> <ul style="list-style-type: none"> • NOTED the tracker presented to ARAC demonstrates where progress of implementing recommendations is behind schedule, and to ask that the appropriate action is taken to address these areas. • NOTED that 13 reports have been closed on the audit tracker since ARAC April 2019 and 81 reports are currently open, 42 of which have now passed their original completion date. 	
AC(19)154	Counter Fraud Update	
	<p><i>Mr Evans rejoined the Committee meeting.</i></p> <p>Mr Evans introduced the Counter Fraud Update report, suggesting that it reflects a strong start to the year. Members' attention was drawn to the data analysis within the appendix, which provides a baseline against which the UHB can measure itself. The data has identified a couple of issues which the Counter Fraud team will look to address.</p> <p>Cllr. Hancock noted the various training outlined within the 'Inform and Involve' section of the report, and enquired whether there is a defined programme of training covering every UHB department and team. Mr Evans advised that whilst ad hoc training is provided on request, training is generally focused on high-risk areas. There is not a formal planned programme of training. Referencing the Memorandum of Understanding (MoU) between Dyfed Powys Police and the UHB, Mr Burt requested clarification with regards to the additional support offered. Mr Evans explained that it formalises UHB access to police facilities (eg for interviews) and crime disposals (eg cautions). Mr Thomas drew Members' attention to page 9 of Appendix 2 and the All Wales assessment of the self review tool. HDdUHB was the only organisation whose rating was not changed following assessment, suggesting that the organisation's original self-assessment was reasonably robust.</p>	
	The Committee NOTED the Counter Fraud update report.	
AC(19)155	Audit & Risk Assurance Committee Work Programme 2019/20	
	The Committee NOTED the ARAC Work Programme.	
AC(19)156	Any Other Business	
	There was no other business reported.	
AC(19)157	Reflective Summary of the Meeting	
	A reflective summary of the meeting was captured which will form the basis of the ARAC Update Report, and highlight and escalate any areas	

	<p>of concern to the Board. This would include a summary of discussions, together with the following specifically:</p> <ul style="list-style-type: none"> • Internal Audit National Standards for Cleaning Follow-up Report – to highlight the issue of lack of capital investment, its impact on ability to improve cleaning audit levels and potential implications for infection rates; • Targeted Intervention – to record the continued WG focus on HDdUHB’s finances and delivery of savings plans; • Post Payment Verification – to note the suggestion of a more robust escalation process, in the case of continued high error rates following revisits and provision of support and training; • Operating Theatres – to report progress to date and ongoing work in this area; • WAO Review of Operational Quality & Safety Arrangements – to note discussions regarding the findings of this review and planned actions to address recommendations; • University Partnership Board – to record that ARAC was assured that the UPB has operated effectively during 2018/19. 	
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AC(19)158	Date and Time of Next Meeting	
	9.30am, 27 th August 2019, Boardroom, Corporate Offices, Ystwyth Building, St David’s Park, Carmarthen	