



**PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	14 December 2021
TEITL YR ADRODDIAD: TITLE OF REPORT:	All Wales NHS Audit Committee Chair's Meeting
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Mr Paul Newman, Audit and Risk Assurance Committee Chair
SWYDDOG ADRODD: REPORTING OFFICER:	Mr Paul Newman, Audit and Risk Assurance Committee Chair

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Gwybodaeth/For Information

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

The purpose of the paper is to present the Audit and Risk Assurance Committee with an update from the proceedings of the All Wales NHS Audit Committee Chairs' meeting held on 6th October 2021, chaired by Mr Paul Newman, Chair of Hywel Dda University Health Board (HDdUHB) Audit and Risk Assurance Committee.

Cefndir / Background

The All Wales NHS Audit Committee Chairs' forum provides an opportunity to share information regarding common issues which arise within NHS bodies across NHS Wales and to share best practice. The forum is supported by attendance from a nominated Board Secretary from the All Wales Board Secretaries Network (AWBSN). In addition, meetings are attended by representatives from NHS Wales Shared Services Partnership Internal Audit (NWSSP IA), as providers of audit assurance through the independent and objective assessment of governance, risk management and internal control. Also in attendance are representatives from Audit Wales (AW), in their capacity as external auditors who also provide information and advice.

Asesiad / Assessment

The following is a summary of the main issues discussed at the meeting on 6th October 2021:

1. NWSSP IA provided a presentation, which focussed on the 2020/21 audit outcomes, changes to audit methodology, 2021/22 audit programmes and all Wales summary papers. Key points covered included:
 - Advisory Reports - Internal Audit remain committed to work with individual Health Board officers to develop action plans based upon report findings, should Audit Chairs and Independent Members require this.

- NWSSP stock holding - an audit is due to start which will focus upon external storage of stock (including PPE). Further IT reports are being undertaken, and new IT auditors have been appointed.
- An Internal Quality Assurance and Improvement report for 2020/21 has been produced, which will be issued formally to NWSSP on 12th October 2021, and will then be shared with Board Secretaries.
- The majority of findings/recommendations arising from 32 'limited assurance' reports in 2020/21 relate to operating effectiveness rather than to the design of systems and processes, the majority of which related to emergency/business continuity plans. Internal Audit are to share further detail with Audit Chairs.
- A common theme arising from audit relates to people (ie. staff capacity and demand and sickness pressures).
- With regard to audit methodology, the aim will be to minimise duplication. There will be a focus on clinical governance, with all heads of audit attending quality and safety meetings, which reflects the anticipated pressure upon clinical and patient services over the coming winter period. Where physical verification is needed, audits will be undertaken on site.
- The Institute of Internal Auditors are undertaking a review of internal audit standards based on the Briden Review in respect of the failing of audits within private industry. Any new approach will be in place by April 2023.
- While audit plans are on track until the end of August 2021, requests to defer work are being received from front line staff, and there have been some delays in receiving management responses to audit reports. Requests for deferrals are carefully considered and there are often alternative means of reviewing and reporting the positions within different areas.
- Consideration will be given in 2021/22 audit programmes to the impact of pressures on annual opinions, and updated papers relating to how these will be provided will be shared with Board Secretaries.
- Monthly reports are provided to the Board Secretaries, and the Board Secretaries sub-group has been re-established, with a remit to cover the approach to the annual opinion, KPIs, report templates, use of the Quality Assurance and Improvement Programme report and a replacement electronic working papers system. Membership of the sub group drawn from HEIW, NWSSP and Hywel Dda University Health Board.
- With regard to All Wales Summary Papers, Internal Audit is reviewing common themes identified in audit findings, which will be shared.

An Ambulance Handover Task Force Group reporting to Welsh Government (WG) has been established. Internal Audit has provided evidence to this group. Members were informed that Internal Audit would be happy to review the position regarding patient handovers, however advised that it would first await outcomes from the work undertaken by the Task Force.

In respect of RPB governance arrangements, Internal Audit advised that Health Boards need to ensure that any risks which might impact upon Health Boards are covered, and it would welcome and support a more formal and joined up approach to governance between the respective organisations.

2. AW provided an update on the external audit programme. Key points of discussion for the Group were:

2020/21 Annual Accounts

- Material issues were identified across all NHS bodies in relation to annual leave accrual, which proved somewhat challenging to audit. Discussions are being held regarding process improvements, which are required in some Health Boards.

- Site attendance – the current stance taken by Audit Wales is based upon the continuation of remote working, with site attendance as required, subject to appropriate risk assessment.
- Early discussions are being held with NHS Finance teams with regard to the accounts for 2021/22. COVID-19 vaccinations will be accounted for at WG level, with no adjustments made at the level of individual NHS bodies.
- Health Boards have taken a proactive approach in requesting early engagement with Audit Wales with regard to field hospitals, which has mitigated some issues relating to the size and quantum of associated spend.
- Some issues were identified in the Remuneration reports, where instances of new appointments being paid above the set scale with no approval have been identified, which was not in accordance with the letter issued from the Director General. Such instances were identified across all bodies, and Audit Wales will focus upon ensuring that this does not recur
- AW are trying to digitise procedures, to increase the pace of its accounts audit approach.

In respect of RPB governance arrangements, at present Audit Wales has no statutory role in the audit of RPBs; however, they do undertake audits falling within the remit of individual organisations that form part of the partnership boards, and comment only upon differences in the approaches of different RPBs. Given the increasing levels of funding channelled through the RPBs, Audit Chairs were assured that Audit Wales would utilise all available mechanisms to position its work in areas which would include the role of RPBs, and would consider the accountability processes of RPBs in responding to Audit Wales recommendations.

Membership of the new Public Accounts and Public Administration Committee (PAPAC) has been confirmed. Following an initial introductory meeting in July 2021, the Committee met again on 22nd September 2021, where it considered six of the Auditor General's reports published between March and June 2021 and, where available, the WG responses to those reports. Matters arising from the reports are likely to inform a planned evidence session with WG (which will include evidence from Dr Andrew Goodall) in November 2021 on NHS related matters and the Committee's scrutiny of accounts work with WG.

A further high-level commentary of Planned Care and a follow-up report on Orthopaedics are planned before the end of 2021. Audit Wales are considering how to incorporate wider elements of planned care pathways within its future work, with consideration being given to the inclusion of front-end (eg. triaging) and back-end (eg. discharge to social/ community care) processes in future audits.

Audit Wales has undertaken a series of quality governance reviews which are currently being reported to Audit Committees, with a national report being published to summarise common themes arising from this work

3. Governance Arrangements in Regional Partnership Boards – Shelley Davies, from WG, attended the meeting and provided a presentation setting out the aims and requirements of RPBs, the current scrutiny arrangements in place and future developments. These included:
 - Strengthened regional arrangements through White paper
 - Support to RPBs, including guidance to strengthen effective scrutiny
 - RPB self-assessments
 - Strengthened planning and monitoring arrangements (including outcomes framework)
 - HIW/CIW scoping for joint inspection arrangements

- Development of co-produced guidance and criteria for Integrated Health and Social Care Funding (replacing ICF and TF)
- 'Trust and verify' approach

Audit Chairs raised the following points as part of the subsequent discussion on how governance and scrutiny arrangements could be strengthened.

- A. Statutory bodies need further clarity and transparency on the following:
 - I. RPB arrangements for decision-making and feed-in from partners, the funding streams coming into RPBs, and their function and working arrangements;
 - II. How RPBs operate and spend funds;
 - III. Responsibility for the scrutiny of RPBs;
 - IV. The 'added value' RPBs provide in addition to statutory bodies, to the planning and delivery of services.
- B. The need for robust audit frameworks for RPB governance arrangements and working processes to provide clarity regarding their function, and enable them to improve processes where required.

4. Update Report on Working Arrangements between Digital Health and Care Wales (DCHW) and Health Boards - An update on progress in developing working arrangements between DHCW and NHS Wales Health Boards was shared with the group.
5. Update from AWBSN – An update was provided from the AWBSN meetings held on 30th July 2021 and 27th August 2021, summarising the key decisions made and issues discussed by the Network. These included the forthcoming Public Inquiry into UK Government's handling of the COVID-19 pandemic, and how to co-ordinate an All-Wales approach to the requirements of the Inquiry.
6. The next meeting will take place on 9th February 2022. Agenda items to include:
 - Regulatory Compliance (Legal and Risk)

Argymhelliad / Recommendation

The Audit and Risk Assurance Committee is requested to receive this report for information.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference Cyfeirnod Cylch Gorchwyl y Pwyllgor	3.1 The Committee shall review the adequacy of the UHB's strategic governance and assurance arrangements and processes for the maintenance of an effective system of good governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical) that supports the achievement of the organisation's objectives.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable

Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Statement	Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Assurance reports to Committees and Board aligned to relevant standards.
Rhestr Termiau: Glossary of Terms:	AWBSN – All Wales Board Secretaries’ Network CIW – Care Inspectorate Wales HEIW – Health Education and Improvement Wales HIW – Healthcare Inspectorate Wales ICF – Integrated Care Fund KPIs – Key Performance Indicators RPB – Regional Partnership Board TF – Transformation Fund
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg: Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Board Secretary Chair, Audit & Risk Assurance Committee

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	There are no direct financial implications within this report.
Ansawdd / Gofal Claf: Quality / Patient Care:	There are no direct quality or patient care implications within this report.
Gweithlu: Workforce:	There are no direct workforce implications within this report.
Risg: Risk:	There are no direct implications within this report.
Cyfreithiol: Legal:	There are no legal workforce implications within this report.
Enw Da: Reputational:	There are no direct implications within this report.
Gyfrinachedd: Privacy:	There are no direct implications within this report.
Cydraddoldeb: Equality:	<ul style="list-style-type: none"> • Has EqIA screening been undertaken? No • Has a full EqIA been undertaken? No