

**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 February 2022
Venue:	Boardroom, Corporate Offices, Ystwyth Building, St David's Park, Carmarthen and via MS Teams

Present:	Mr Paul Newman, Independent Member (Committee Chair) (VC) Mr Winston Weir, Independent Member (Committee Vice-Chair) (VC) Mr Maynard Davies, Independent Member (VC) 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, Assistant Director of Assurance & Risk (VC) Mr Ben Rees, Head of Local Counter Fraud Services (VC) (part) Mr Andrew Carruthers, Director of Operations (VC) (part) Ms Jill Paterson, Director of Primary Care, Community & Long Term Care (part) Ms Liz Carroll, Director of MHLD (VC) (part) Ms Karen Amner, Directorate Support Manager MHLD (VC) (part) Mr Anthony Tracey, Digital Director (VC) (part) Mr Rob Elliott, Director of Estates, Facilities & Capital Management (VC) (part) Ms Jeanne Davies, Deputy Health Records Manager (VC) (part) Ms Stephanie Hire, General Manager Scheduled Care (VC) (part) Ms Amanda Legge, All Wales Post Payment Verification Manager (VC) (part) Ms Sue Tillman, Post Payment Verification Location Manager (VC) (part) Ms Sian Harries, IM&T Audit Manager, NWSSP (VC) (part) Ms Bethan Hopkins Audit Wales (VC) (observing) Mr Ryan Williams, Risk & Assurance Administrator (VC) (observing) Ms Clare Moorcroft, Committee Services Officer (minutes)

Agenda Item	Item	
AC(22)01	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 Simon Cookson, Director of Audit & Assurance, NWSSP Mr Gareth Rees, Deputy Director of Operations Mr Keith Jones, Director, Secondary Care 	
AC(22)02	Declaration of Interests No declarations of interest were made.	

AC(22)03	<p>Minutes of the Meeting held on 14th December 2021</p> <p>RESOLVED – that the minutes of the Audit & Risk Assurance Committee meeting held on 14th December 2021 be APPROVED as a correct record.</p>	
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AC(22)04	<p>Table of Actions</p> <p>An update was provided on the Table of Actions from the meeting held on 14th December 2021 and confirmation received that outstanding actions had been progressed. In terms of matters arising:</p> <p>AC(21)105 – Mr Maynard Davies reported that the WIS (Welsh Immunisation System) has been shortlisted as a finalist for the Digital Leaders Impact Award 2022.</p> <p>AC(21)183 – an updated management response is appended, which had also been discussed at the Quality, Safety & Experience Committee (QSEC). Mr Davies noted that Recommendation 2 states that there are ‘inconsistent leadership arrangements at an operational level’, whereas the management response suggests that there are ‘consistent leadership arrangements in place at operational level’ and queried whether this represents disagreement with the audit finding/ recommendation. Mrs Joanne Wilson explained that this matter had been discussed with the Director of Operations and Director of Nursing, Quality & Patient Experience. The Director of Operations had been of the opinion that there are consistent arrangements across sites, with leadership teams in place; the issue is more in relation to the capacity of those teams. The response was not, therefore, disagreeing with the finding; rather a wish that this view be reflected.</p> <p>AC(21)212 (Discharge Processes Review) – an updated management response is appended; however, this will need to be revisited in light of recent Welsh Government guidance. Whilst recognising this, in view of the fact that this has been a long-standing issue, Mrs Judith Hardisty did not feel that the response reflected any particular sense of urgency. Also, there have been numerous initiatives around discharge processes (eg Pyjama Paralysis) without any indication of their success or otherwise. On page 3 of the Action Plan there is reference to Policy Goals 5 and 6 of the UEC programme; however, Mrs Hardisty was not aware of what there are and who the Senior Responsible Officer for this work is. Mrs Wilson advised that the Director of Operations is the overall lead for this area, with the Director of Primary Care, Community & Long Term Care progressing the workstream. Mrs Hardisty reminded Members that a summit on home-based care, involving Local Authority partners and other stakeholders, is taking place on 6th April 2022. Members also heard that Audit Wales are undertaking work in this sphere, which may feed into future discussions. Ms Anne Beegan explained that Audit Wales are planning Unscheduled Care audits examining both ‘front door’ and ‘back door’ processes. The latter – which will include consideration of discharge planning – will be undertaken first, probably during April 2022, and will align with the work and workshop mentioned above.</p>	
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	<p>AC(21)215 – an update on the action plan will be provided to the forthcoming Strategic, Development & Operational Delivery Committee (SDODC) meeting.</p> <p>AC(21)217 – an update on progress with queries has been provided.</p> <p>AC(21)218 – Mr Davies did not feel that the response to the action around HDD579 addressed why a Single Tender Action (STA) had been utilised and highlighted that arrangements could have been made with individual radio stations covering each of the three counties. Accepting these comments, Mr Huw Thomas agreed that the only way to truly test whether another supplier is available is to test the market via a tendering process.</p> <p>AC(21)219 – a meeting with Audit Wales has taken place and the scope of the Operational Governance reviews is being developed, which will be discussed with the Director of Operations. Ms Beegan confirmed that the Mental Health & Learning Disabilities (MHL) Directorate will be reviewed separately and prioritised, as requested, with the wider Operational Governance reviews taking place at a later date. In response to a query regarding the timescale and duration, Ms Beegan advised that the review will commence in March 2022 and will have a broader scope than quality governance. Learning Disabilities will probably be the starting point. Duration is likely to be approximately two months. Members heard that it is intended to feed back any urgent messages during the review process, with the final report planned for presentation to the August 2022 ARAC meeting.</p> <p>AC(21)224 – an updated management response is appended. Referencing recommendation 6, and the target date of April 2022 for the launch of the ‘Working in confidence’ platform, Mr Newman enquired where the outcome of this work will be reported. Members heard that it would be presented to the People, Organisational Development & Culture Committee (PODCC). Within the Teams meeting chat, it was noted that consideration should be given to how structured feedback informs both committee structure and business. This needs to link to Planning Objectives and be routed through PODCC.</p> <p>Completed actions would be removed from the Table of Actions.</p>	
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AC(22)05	Matters Arising not on the Agenda	
	There were no other matters arising not on the agenda.	

AC(22)06	Enhanced Monitoring/Joint Executive Team Update	
	Members heard that there was no further update from Welsh Government with regard to the UHB’s Enhanced Monitoring status. The most recent update from the Joint Executive Team had been shared with Independent Board Members and (as part of the Chief Executive’s Report) at Public Board on 27 th January 2022.	

AC(22)07	All Wales NHS Audit Committee Chairs' Meeting Update	
	Mr Newman presented the All Wales NHS Audit Committee Chairs' Meeting Update report, advising that this represents a summary of the items discussed at the meeting on 9 th February 2022.	
	The Committee RECEIVED FOR INFORMATION the All Wales NHS Audit Committee Chairs' Meeting Update report.	

AC(22)08	Counter Fraud Update	
	Mr Ben Rees presented the Counter Fraud Update report, drawing Members' attention to the request for Counter Fraud to be included in the Managers Passport Programme. It is felt that inclusion is essential in emphasising the importance of Counter Fraud. The report also indicates current areas of ongoing work. Mr Rees advised that SharePoint, the new hosting system for the UHB Intranet, is now 'live' together with the Counter Fraud webpages, which will be updated periodically. A proactive exercise relating to the ordering of continence products by Residential Care Homes has been undertaken and has proved worthwhile. In regards to discussions of under/overpayment of salary during the quarterly Lead Local Counter Fraud Specialists meeting, a draft All Wales policy has now been received.	
	Mrs Wilson reported that she and Mr Rees have recently reviewed all current Counter Fraud cases. There are a number of challenging cases, which are being managed effectively. Noting that under/overpayment of salary had been discussed at a national level, Mr Newman enquired whether there were any examples of good practice or exemplars which might be applied locally and whether HDdUHB is an outlier, or in line with other Health Boards. In response, Mr Rees advised that a report detailing performance/figures is due to be produced following data analysis; however, anecdotal evidence suggests that HDdUHB has lower levels of under/overpayment than other Health Boards. The main cause appears to be poor communication between managers and payroll regarding leavers. Mr Rees emphasised that Counter Fraud is committed to contributing at a national and local level to ensure that a robust process is in place. Mr Thomas added that a recent exacerbating factor is a rapid turnover in staff appointed to respond to the COVID-19 pandemic. It has been suggested that Internal Audit conduct a review of the management arrangements put in place in relation to this; as essentially, new directorates have been created as part of the COVID-19 response. This review would, necessarily, be largely retrospective; however, there will be lessons to be learned.	
	The Committee RECEIVED for information the Counter Fraud Update Report and appended items.	

AC(22)09	Financial Assurance Report	
	Mr Thomas introduced the Financial Assurance Report, advising that this is of the standard format, and highlighting in particular: 2.3.1 Overpayment of Salaries – these continue to increase; however, have been discussed under the previous agenda item. 2.2.3 Single Tender Actions – this is an area where it is recognised that further refinements are required.	

2.4.1 General Losses and Special Payments – these are presented for the Committee’s approval.

Referencing Figure 3, Mr Newman suggested that the graph data for January 2022 does not reflect the preceding narrative, which states that there were ‘4 Single Tender Action (in excess of £25,000) approved...’ Mr Thomas explained that the narrative reflects the period 1st December 2021 to 31st January 2022; the 4 STAs had been during December. Returning to the topic of overpayment of salary, Mrs Hardisty noted that there has been no apparent identification of issues involving systems, for example the Electronic Staff Record (ESR) system. It was unclear, therefore, whether the issue is caused by managers having insufficient capacity to undertake the necessary processes, or the systems being utilised, or the processes which are in place. Mr Thomas suggested that cases of overpayment in which fraud action is taken generally comprise gratuitous fraud, in that individuals do not declare monies received. The issue is essentially one of management control; the organisation needs improved system controls in place. Managers are not submitting forms in a timely fashion, which results in a process of detection rather than prevention. The Digital and Workforce teams are taking steps to automate as many workforce processes as possible. Mr Thomas offered to provide an update at the next meeting. Noting that there is likely to be a balance between processes/systems within and outwith the UHB’s control, and assuming that internal processes and systems are being sufficiently scrutinised, Professor John Gammon sought assurance that any external issues are being escalated/considered on an All Wales basis. Mr Thomas was not sure that this matter is currently being considered nationally and suggested that it would be unwise to wait for an All Wales approach. Accepting that the use of certain systems is non-negotiable (eg ESR), it is more prudent to progress local solutions and ensure that local processes are robust and being followed correctly. Mr Thomas suggested that the local technical response be presented to ARAC in the first instance.

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With regard to STA HDD582, Spatial Quotient, Mrs Hardisty expressed concern regarding the justification for using this supplier, which appeared to be based on their existing relationship with Bayer. Mr Thomas advised that he had challenged this; however, the grant to support this patient flow work was contingent on using this supplier. More detail can be obtained from the Planned Care team if deemed appropriate; however, Mr Thomas had already fed back that this approach is not appropriate and that data around benefits realisation will be required. Following further discussion, it was established that the £60k cost of this STA was back-to-back funded and is not, therefore, a cost to the UHB. It was suggested that this should have been clarified in the accompanying narrative.

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Referencing Section 2.7, compliance with reporting requirements, and IFRS 16 specifically, Mr Winston Weir noted that this may potentially impact on the UHB’s capital and revenue and submission of accounts, and enquired whether a response has been received from Welsh Government. Mr Thomas emphasised that the UHB is working with Welsh Government and that this is a ‘known issue’. The tactical/technical work involved is ongoing. Discussions are also

	<p>ongoing with Audit Wales regarding the impact in terms of financial accounts. It was agreed that detail with regard to the scale of this issue would be provided. In response to a query regarding Losses and Special Payments, Mr Thomas advised that there were no identifiable themes/patterns/issues.</p>	HT
	<p><i>Mr Ben Rees left the Committee meeting.</i></p> <p>The Committee:</p> <ul style="list-style-type: none"> • DISCUSSED and NOTED the report • APPROVED the write-off of Losses and Special Payments over £5k 	

AC(22)10	<p>Post Payment Verification (PPV) Report</p> <p><i>Ms Jill Paterson, Ms Amanda Legge and Ms Sue Tillman joined the Committee meeting.</i></p> <p>Ms Amanda Legge introduced the Post Payment Verification (PPV) Report, advising that the PPV team continues to seek mechanisms to enable remote working. The team has been provided with a list of Optometrist Practices willing to participate in remote PPV visits, and is working with Community Pharmacy Wales to discuss long term approaches within their sector. It is hoped that the NHS Bonus Payment verification work will be completed by the end of March 2022; no issues have been identified to date. A pilot is being undertaken with another Health Board in regards to Dispensing GPs which, if successful, will be rolled out nationally. The PPV team has split its routine and re-visits; there are 5 visits outstanding due to ongoing queries from Practices. Overall, HDdUHB is performing well, with only one practice in the current visit round RAG rated Red. The claim error in this case relates to immunisations and, following clarification and guidance issued to the Practice in question, it is hoped that there will not be a recurrence.</p> <p>Mr Davies noted that the verification figures for GMS remain well below pre COVID-19 levels and enquired when it is anticipated that they will return to previous levels. Ms Legge reminded Members that 10% of claims are verified on routine visits. Whilst a return to previous verification levels is expected in due course, the actual timeframe for this has not been determined. Certain services and Health Boards are not yet recovered to previous service provision levels. Also, population needs have changed, with more local enhanced services required. Thanking Ms Legge for her report, Mr Weir noted the statement around use of technology to provide training to Practices and enquired regarding the response within HDdUHB and whether all Practices have access to the necessary technology. Ms Legge advised that training is provided via MS Teams and a video-based PPV guide. Roadshow events are planned, which will be targeted on the basis of trend data. Training sessions will be recorded, so that Practices unable to participate on the day will be able to revisit these at a convenient time. The PPV team is happy to provide any training identified as required and has a close working relationship with the UHB to facilitate information exchange. Ms Jill Paterson advised Members that HDdUHB's training programme has not yet started; the first session is scheduled for 16th March 2022. As mentioned, training will be tailored to specific issues. Once the programme has commenced, further information will be available regarding uptake/participation. Mr Weir</p>	
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	<p>thanked Ms Legge and Ms Paterson for this additional context and looked forward to updates. Noting Ms Legge’s comments regarding recovery/return to normal levels of service, Mrs Hardisty requested clarification around HDdUHB’s status in this regard. Ms Paterson explained that there had been a phased return from September 2021 and that a return to normal levels of service is being seen. Members were reminded that during the COVID-19 pandemic, enhanced services had been suspended and essential services maintained, and that PPV claim testing relates specifically to enhanced services.</p>	
	<p>The Committee NOTED the contents of the Post Payment Verification (PPV) report.</p>	

<p>AC(22)11</p>	<p>General Medical Services (GMS) Post Payment Verification Update</p> <p>Ms Paterson presented the General Medical Services PPV Update, noting that this relates to claims in Quarters 2 and 3. Two Practices had been RAG rated Red and Members were assured that actions had been taken in relation to the specific issues involved. Ms Paterson was disappointed that the Practice RAG rated Red in Quarter 3 was a UHB Managed Practice; the claim errors had related to Direct Oral Anti-Coagulants (DOAC) prescribing and actions have been taken to address this issue. Ms Paterson apologised for the wording around the financial implications, emphasising that being a Managed Practice does not mean that financial risks/controls are of any less importance. The Primary Care team will be monitoring this matter going forward. Whilst noting that the report represents an improvement on the UHB’s previous position, Ms Paterson emphasised that the issues identified will be addressed and training will be undertaken.</p> <p>Mrs Hardisty highlighted that Primary and Community Care involves a number of complex systems, and that there are various ongoing discussions around contracts. Mrs Hardisty enquired whether these discussions include any suggestion of reviewing the current system or potential alternative mechanisms for funding services. Ms Paterson reiterated that the report relates specifically to enhanced services. In Community Pharmacy, there is a move away from dispensing towards prevention of ill health. GMS is looking to provide services differently. The source of funding, however, remains public money and Ms Paterson would, therefore, expect continued audit and checking of claims. This may be more challenging to enact with a move to more preventative activities. The delivery of General Optometry Services is being considered; however, significant legislative changes would be required. Mrs Hardisty suggested that the Board will need to be made aware of changes, as these impact on the UHB’s expenditure. Whilst agreeing, Ms Paterson explained that scrutiny of arrangements such as Primary Care Clusters and pan-Cluster Planning Groups will need to be broader, including ARAC and the Regional Partnership Board (RPB), who will require assurance regarding how these meet local population needs.</p> <p><i>Ms Paterson, Ms Legge and Ms Tillman left the Committee meeting.</i></p> <p>The Committee NOTED the contents of the General Medical Services (GMS) Post Payment Verification Update report.</p>	
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AC(22)12	<p>Annual Statement of Financial Procedures</p> <p>Mr Thomas presented the Annual Statement of Financial Procedures, which he hoped was self-explanatory. Noting Mr Weir’s query within the Teams meeting chat around the timing of the Income and Cash Collection Procedure, Mr Thomas clarified that the dates in the list are based on when procedures are due for renewal. In response to a further query around whether there is a plan for management of patient assets/cash, Mr Thomas confirmed that there is. Members noted that HDdUHB’s process for reviewing financial procedures is regarded as an exemplar and is being used by other Health Boards.</p> <p>The Committee NOTED the Annual Statement of Financial Procedures report.</p>	
AC(22)13	<p>Audit Wales Update Report</p> <p>Ms Beegan provided an update on Audit Wales’ work, highlighting in particular Exhibit 1 on page 4 and mention of the Audit Plan. Whilst the Audit Plan is scheduled for consideration at the April 2022 ARAC meeting, it is intended to circulate this document beforehand. On page 6, it is stated that the review of Referral to Treatment (RTT) Monies is under reconsideration. Ms Beegan advised that this course of action has been discussed with the ARAC Chair and Board Secretary; Audit Wales will seek to extract key messages for the UHB and will issue a partial refund of the audit fee to reflect this decision.</p> <p>Mr Newman drew Members’ attention to discussions at the All Wales Audit Committee Chair’s meeting, where potential issues with the deadline for annual accounts had been identified. Mr Newman enquired whether there are likely to be any difficulties with the proposed HDdUHB timeline/meeting schedule. In response, Ms Beegan advised that Audit Wales would be liaising closely with the Finance team and no issues were currently anticipated.</p> <p>The Committee NOTED the Audit Wales Update.</p>	
AC(22)14	<p>Structured Assessment 2021: Phase 2 - Corporate Governance and Financial Management Arrangements</p> <p>Introducing the Structured Assessment 2021 Phase 2 report, Ms Beegan reminded Members that this had been considered at the HDdUHB Public Board meeting on 27th January 2022. The report was being presented to ARAC to offer a further opportunity for feedback, comments or queries.</p> <p>Mr Weir reiterated the query he had raised at the Board meeting, around whether there is anything further the UHB could or should be doing with regard to its financial position. In response, Ms Beegan suggested that the main issue and area for focus for HDdUHB is around operational teams. This will feed into the wider operational governance review. The organisation has a strong corporate intention; the issue is its operational teams’ ability to deliver. Within the Teams meeting chat, Professor Gammon referenced Appendix 1 (Progress against previous recommendations). Accepting that R3, around staff engagement, is closed, Professor Gammon suggested that it would be of value to revisit this issue in PODCC to review and re-examine the UHB’s staff engagement strategy post COVID-19. Whilst acknowledging that the</p>	LG

	<p>report contains no recommendations, Mrs Wilson emphasised that the UHB recognises that there are areas for improvement. Work is ongoing on an All Wales basis to establish whether HDdUHB can learn from other organisations. Ms Beegan reminded Members that the Structured Assessment process had been streamlined due to COVID-19; Audit Wales are planning to broaden it going forward to include areas such as performance management. Ms Beegan advised that Audit Wales are looking for all Wales themes and arrangements that are working well in organisations with a view to share and move towards one model for Wales.</p>	
	<p>The Committee NOTED the Audit Wales Structured Assessment 2021: Phase 2 - Corporate Governance and Financial Management Arrangements report.</p>	

AC(22)15	<p>Audit Wales Welsh Health Specialised Services Committee (WHSSC) Committee Governance Arrangements Update</p>	
	<p>Mrs Wilson explained that the Chief Executive is unable to attend today's meeting, as he is chairing the All Wales Chief Executive Officers' Group. Members were advised that an update on progress regarding the Audit Wales review of WHSSC Committee Governance Arrangements had been presented to the WHSSC Joint Committee on 18th January 2022. A number of the actions fall under the remit of Welsh Government. With regard to recruitment of WHSSC Independent Board Members, whilst consideration is being given to alternatives in terms of remuneration, it is still anticipated that these will be sourced from the Health Boards' Independent Member cohort, meaning that capacity remains an issue.</p>	
	<p>The Committee NOTED the progress made against WHSSC management responses to the Audit Wales recommendations outlined in the WHSSC Committee Governance Arrangements report</p>	

AC(22)16	<p>Care Home Commissioning for Older People</p>	
	<p><i>Ms Jill Paterson re-joined the Committee meeting.</i></p> <p>Ms Beegan introduced the Audit Wales Care Home Commissioning for Older People report, explaining that this had originated as a North Wales based review. Following its conclusion, however, Audit Wales had felt that there were key messages for other regions/Health Boards. The report itself is fairly technical. Ms Beegan welcomed the response from HDdUHB.</p> <p>Ms Paterson welcomed this report, reminding Members that the issues covered have been a matter of concern and debate for some time. It is necessary to ensure the correct focus and this centres on how needs are assessed. HDdUHB has been through various progressions and developments and Ms Paterson felt strongly that, once the correct process is in place, the outcome will be correct. There will be associated funding implications; however, if there is confidence in the processes and application of these, there can be confidence in and justification of the funding requirements. Members heard that a new framework is due to be launched shortly. Ms Paterson felt that the response from North Wales was somewhat defensive and hoped that the HDdUHB response was of use. Mrs Hardisty stated that it was helpful to be provided with an indication of the HDdUHB position, whilst</p>	

emphasising that Betsi Cadwaladr UHB are partnered with 6 Local Authorities, which adds further complexity and challenges. Members were reminded that Welsh Government had previously issued a White Paper 'Rebalancing Care and Support', which was presented as a solution to the issues in Social Care. It now seems that the RPBs are viewed as the primary conduit for progressing this complex matter. Mrs Hardisty emphasised that Ms Paterson and her team are taking all possible steps to engage with Local Authority partners, including the workshop mentioned previously. However, with local elections approaching, there is a degree of reluctance to commit to any radical arrangements in the short-term. In the absence of a national solution, regions will need to take the approach viewed as most appropriate.

Mr Davies thanked Ms Paterson for drafting a HDdUHB response. In view of the complexities of the processes involved, it is hardly surprising that those trying to navigate the system (even those with Public Sector experience) find this challenging. The HDdUHB response demonstrates a robust understanding of the report and its findings, and Mr Davies indicated that he would be grateful for a further discussion around this topic outside the meeting. Within the Teams meeting chat, Mr Weir concurred with these comments. Mr Newman agreed that – whilst statutory bodies may have certain aims and objectives in terms of solutions – it should be remembered that there is a group of individuals within the system trying to navigate their way through. Ms Paterson assured Members that there are very few disputes with the Local Authorities within Hywel Dda, which reflects the maturity of both process and partnerships. Whilst there are delays in social worker allocation and identification of care home placements, for example, the process itself should not be viewed as so complex as to be of concern. Members heard that Health Boards are working with Welsh Government in regards to Independent User Trusts (IUTs), which would require Health Boards to retain carers of all types. This would involve significant governance implications and the communications around IUTs are being discussed. Continuing Care is fully funded by the NHS. Any potential changes would lead to governance issues and concerns. HDdUHB does not have any physical Pooled Funds, only virtual. Whilst this may not have been the most appropriate solution to the issue involved, there is robust management and governance, with a monthly overview at the RPB Integrated Executive Group. Mr Newman noted that 2 of Hywel Dda's 3 Local Authorities are the highest spending in Wales and queried whether this was indicative of anything in particular. Ms Paterson reminded Members that care fees are paid by the Local Authorities and felt that the thresholds and level of caution applied may need to be evaluated.

Ms Paterson suggested that an opportunity may have been missed by focusing on North Wales. Whilst RPBs are responsible for ensuring their local population can access the care required, they do not examine individual commissioning arrangements. This is challenging; however, Ms Paterson reiterated her opinion that, provided the processes are robust and transparent, and relationships with partners are strong, there is less of an issue. This is the case locally, which is not reflected in the report, due to its focus on another region. Mr Newman suggested that the issue may be more to do with a reliance on strong relationships

	<p>between partners in order to achieve the outcome required. Ms Beegan explained that the review had been commissioned to address specific concerns in the North Wales region; however, as previously indicated, it had been determined that the findings should be shared more widely. There will be a need to monitor this area, and an All Wales review incorporating Social Care is planned. Audit Wales recognises that many of the issues and concerns identified in the report are long-standing. Following up on an earlier comment, Mrs Hardisty suggested that newer Independent Members may find it useful to discuss the history and background to this extremely challenging issue with Ms Paterson, who has extensive knowledge and experience around the topic. Within the online Chat, Mr Thomas highlighted that the focus of this report is older people only and does not include long term care in MHLD.</p> <p>It was agreed that discussions around this topic should be highlighted in the ARAC Update Report to Board.</p> <p><i>Ms Paterson left the Committee meeting.</i></p> <p>The Committee NOTED the Audit Wales Care Home Commissioning for Older People report.</p>	PN/JW
AC(22)17	Audit Wales Annual Plan 2022	
	DEFERRED to 19 th April 2022 meeting.	
AC(22)18	Orthopaedic Services Follow-up	
	DEFERRED.	
AC(22)19	Review of the Sustainable Use of RTT Monies	
	Audit under re-evaluation due to significant changes in context and landscape since review began.	
AC(22)20	Internal Audit Plan Progress Report	
	<p>Mr James Johns presented the Internal Audit (IA) Plan Progress report, highlighting the audits finalised since the previous meeting, and the planning and delivery of the current year's Internal Audit Plan. Current challenges include the operational pressures faced by the UHB and resource pressures within the IA team. A number of discussions have taken place regarding the audits planned for the remainder of the year, with both deferrals and additions proposed; these are outlined in paragraph 3.3. Mr Johns emphasised that the proposed changes do not impact on his ability to provide a Head of Internal Audit Opinion. The remainder of the report provides a description of key activities.</p> <p>In response to a query around paragraph 3.4, Mr Johns explained that the Internal Audit team had reviewed the Limited Assurance rating awarded to the Deployment of Welsh Patient Administration System (WPAS) into Mental Health & Learning Disabilities (MHLD) report. On balance, it had been felt that this was appropriate and that there was no justification for change. With the Internal Audit programme having been impacted by various factors, Mr Newman noted that there are potentially 11 reports scheduled for the April 2022 ARAC meeting. This will be challenging in terms of time, with the level of discussion determined by the ratings and findings of the reports. It may also be</p>	

	<p>necessary to utilise the May or early June meetings for consideration of Internal Audit reports. Mr Thomas highlighted that the UHB's ability to address the findings of any Limited Assurance reports would be compromised/diminished by scheduling a large batch towards the end of the year, and queried the potential impact on the Head of Internal Audit Opinion. Mr Johns advised that there had been 3 Limited Assurance reports to date and that follow-up audits had been conducted in all 3 instances, with 2 on today's agenda. Relatively speaking there are not a huge number of reports outstanding, so any that are rated Limited Assurance will have a restricted impact. Mr Davies enquired whether it would be acceptable to consider reports with Reasonable or Substantial Assurance ratings outside the Committee format. Following discussion, it was felt that this had the potential to diminish the role of ARAC and stimulate discussion via email, with Members reminded that previous reports with these ratings had generated debate and queries. Mr Newman suggested it should be accepted that the next two or so meetings will be challenging. Mrs Hardisty was not sure that Mr Thomas' comment regarding the potential impact of any Limited Assurance reports on the Head of Internal Audit Opinion had been addressed. In response, Mr Johns advised that a block of audits had always been scheduled to report to the April 2022 meeting. The absence of a follow-up audit before year end does not necessarily adversely affect the Opinion. Mrs Wilson suggested that the UHB and Internal Audit explore how this issue might be addressed.</p>	JW/JJ
	<p>The Committee NOTED progress with delivery of the plan for the current year, the required adjustments to the plan and the assurance available from the finalised Internal Audit reports.</p>	

AC(22)21	<p>Nurse Bank Overpayments Briefing Paper</p> <p>Mr Johns presented the Nurse Bank Overpayments Briefing Paper, indicating that this was an 'ad hoc' review of a potential system weakness which the Internal Audit team had been asked to undertake. The review had examined the processes and systems in place and the likelihood of errors occurring. It had been established that the actions taken since the weakness had been identified will reduce opportunity for error.</p> <p>Mr Newman noted that the enhanced payment scheme is due to end on 31st March 2022 and enquired whether this is likely to be extended. Members heard that there is no commitment to extend this arrangement beyond March. Mrs Hardisty reiterated previous comments around this format of report, suggesting that a briefing paper format restricts ability to monitor/track actions and, therefore, receive assurance that actions taken have been sustained. Mr Johns advised that in this instance, the review had examined the actions already taken to address the specific issue identified, and that the auditors had concluded that reasonable steps had been taken. Mr Thomas explained that, whilst the potential for overpayment existed, this had not actually occurred. This issue would not normally form part of the Financial Assurance report and was, therefore, treated separately. The comment around the briefing paper versus audit report format was, however, accepted. Mrs Wilson echoed the concerns around tracking/monitoring of actions and suggested that this be discussed with Internal Audit, as a robust system is required going forward. Mr Davies enquired whether 'near misses' in terms of</p>	JW/JJ
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	<p>overpayments should be reported via the Datix system. Whilst stating that he was not sure this would have resulted in a different approach, Mr Thomas committed to make enquiries regarding other potential instances. It was accepted that it may be appropriate to consider the inclusion of non-patient-related 'near misses' on Datix. Mr Weir thanked Mr Thomas and his team for identifying this issue and for taking a proactive approach in requesting a review; and thanked the Internal Audit team for conducting this so promptly.</p>	HT
	<p>The Committee NOTED the Nurse Bank Overpayments Briefing Paper.</p>	

AC(22)22	<p>Deployment of Welsh Patient Administration System (WPAS) into Mental Health & Learning Disabilities (MHL) Follow-up (Reasonable Assurance)</p> <p><i>Mr Andrew Carruthers, Ms Liz Carroll, Ms Karen Amner and Mr Anthony Tracey joined the Committee meeting.</i></p> <p>Mr Johns introduced the Deployment of WPAS into MHL Follow-up report, with Ms Sian Harries advising that considerable progress had been made in addressing the 5 Matters Arising previously identified. Management had acted promptly to strengthen governance arrangements. Of the 8 high priority recommendations, 4 had been addressed/closed, 2 were partially complete and 2 are not yet due. The outstanding recommendations had been incorporated into the new report. Mr Newman was disappointed to note that the request at the previous meeting regarding expanding the management response to Recommendation 1.1 had not been fulfilled. Mr Thomas thanked Ms Harries and the Internal Audit team for their cooperation and for concluding the audit promptly. Also, Mr Anthony Tracey for leading on the response and working with the MHL Directorate to address audit findings. The management response has focused on those items which could be addressed most quickly; however, it is acknowledged that a number of actions remain outstanding. Ms Liz Carroll indicated that the deployment of WPAS has been a challenging process, particularly the initial phase. It will be vital to learn lessons as the process progresses and to apply these to services yet to be migrated. It has been decided that there will be a focus on those service areas where there are significant waiting times. Ms Karen Amner advised that the MHL Directorate team is working closely with the Digital team, with bi-weekly meetings to progress work as quickly and thoroughly as possible.</p> <p>Mrs Hardisty suggested that, going forward, the Director of Operations should be included in the circulation of reports covering operational areas such as this. Mrs Hardisty stated that, whilst it is clear there has been progress, she had found the report format difficult to follow and would have preferred to receive an update to the previous management response. Referencing the management response to Recommendation 2.1, Mrs Hardisty requested an update on implementation within the Integrated Psychological Therapies Service, noting that this is due to go live during February 2022. Ms Amner advised that this had not taken place yet, as the system is still being prepared. The MHL Directorate team has been readied to commence manual entry of the records, and Ms Amner was confident that this will be achieved in a short timeframe.</p>	
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In response to the feedback around the report format, Mr Johns advised that the format of follow-up reports has been considered and offered to evaluate this further in light of the Committee's feedback. Mr Newman agreed with earlier comments, suggesting that the original report had been needed for comparison. In response to a query regarding whether any harm has been caused to patients or any adverse impact had been caused to staff as a result of the WPAS deployment, Ms Carroll advised that there had been no harm to patients; however, the project had involved additional staff time. Mr Newman enquired why the issues had arisen (in 2018 and 2019, prior to the COVID-19 pandemic). Mr Tracey suggested that there had been a lack of appreciation of the complexity involved in migrating MHL D services to WPAS, from both a Service and Digital perspective. For example, there is a difference in referral processes in MH versus other acute services. In retrospect, it would have been more prudent to consider these various complexities more fully rather than try to move at pace in the deployment/implementation of WPAS. Mr Newman requested assurances around the delivery of a usable Patient Administration System across the entire MHL D, and the potential timescale for this. Mr Tracey explained that the timescale for each service is individual, with each requiring re-mapping and a gap analysis. Members heard that successful deployment will be utilised to inform and benchmark other service areas. Once the planned services go live in February 2022, this should provide a sense of the time required to deploy WPAS to other services. Mr Tracey anticipated that, within 6-9 months, a high percentage of MHL D services will be migrated to WPAS.

JJ

Benefits were already being seen, and Members were reminded that HDdUHB is currently the only Health Board to have a fully integrated Acute and Mental Health Patient Administration System. In response to a query around benefits realisation, Mr Thomas reported that Swansea Bay UHB has a system in place which they have offered to share with HDdUHB. This will allow analysis of benefits and outcomes. Mr Thomas acknowledged that there are lessons to be learned from the deployment of WPAS in MHL D. He suggested that a further review be conducted within in the 2022/23 audit year, perhaps in September 2022, to provide assurance regarding progress and evidence benefits to the service. In the meantime, the MHL D and Digital teams should be allowed the time and space to focus on delivery. In response to a query within the Teams meeting chat regarding resource required, Ms Carroll advised that this had been discussed with Mr Tracey and that additional resource within the Directorate is planned to undertake the WPAS work. Mr Tracey stated that the posts in question had been advertised; on a 12-18 month basis. It is intended that there will be a core team of 3-4 individuals working purely on WPAS deployment within MHL D.

Mr Newman requested the following:

- That the management response to Recommendation 1.1 be expanded to comprise a list of all intended actions, as opposed to examples;
- That a further follow-up review be conducted during 2022/23.

HT/AT

JJ

Ms Carroll, Ms Amner and Mr Tracey left the Committee meeting.

	<i>Mr Elliott left the Committee meeting.</i>	
	The Committee NOTED the Waste Management (Reasonable Assurance) report.	

AC(22)25	<p>Records Management Briefing Paper</p> <p><i>Ms Jeanne Davies joined the Committee meeting.</i></p> <p>Mr Johns introduced the Records Management Briefing Paper, stating that this was a follow-up on previous audits. It had been conducted as circumstances allowed and the output took the form of a briefing paper/ status update. A range of actions have been undertaken by the UHB, with some progress to address the original recommendations of previous reports; however, certain actions still require completion. Mr Carruthers acknowledged this last comment, noting that there continue to be significant areas of concern, and advising that this is now on the corporate risk register. There is a Planning Objective intended to take forward this area of work. In terms of digitisation/storage of records, there has been significant progress since the autumn of 2021. Records management based work tends to focus on records held in the Health Records department; however, it should be recognised that a significant proportion of records sit outside this, for example in Radiology. There are approximately 1.6m records within the UHB. Storage and scanning of records remains a key topic for debate; however, HDdUHB has made progress in this respect and should, by the end of the month, have access to an additional storage facility at Dafen. The UHB has also made arrangements for outsourcing the scanning of inactive records. A dedicated Project Manager has been appointed, and fortnightly meetings are taking place. These various actions/factors should begin to make an impact.</p> <p>Mr Newman welcomed this additional context/summary, which was not necessarily provided within the report, due to the format not requiring a management response. Mr Newman requested that, for the next meeting, the following be provided:</p> <ul style="list-style-type: none"> • A clear explanation from management/management response regarding progress; • An explanation of plans, including key milestones/timescales. <p>A further formal update would then be scheduled.</p> <p>Mr Carruthers explained that a report on Records Management had recently been submitted to the Executive Team, which could form the basis of the above. Mr Thomas advised that one of the initial issues affecting progress had been that – while the scanning of records had begun – there was a need for a repository to store these scans which facilitates both accessibility and readability. The organisation now has an Electronic Document Management System (EDMS) and the required infrastructure in place. There is a significant number of records to manage and, whilst good progress is being made, the UHB needs to consider how these are managed going forward. Mr Davies noted that the Information Governance Sub-Committee leads on this area of work, and reports to the Sustainable Resources Committee. It was highlighted that Medical/Health Records are only part of this workstream, with</p>	AC
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	<p>various other records, for example corporate records (including financial records), and their management and storage also requiring consideration. Within the Teams meeting chat, Mrs Wilson clarified that the original report is being utilised for tracking of recommendations/actions via the Audit Tracker. In response, Mr Newman suggested that, providing a SMART management response is prepared to this latest report, this will allow tracking. Mrs Wilson emphasised the need to ensure that none of the original recommendations from previous reports are omitted.</p> <p><i>Ms Davies left the Committee meeting.</i></p>	
	The Committee NOTED the Records Management Briefing Paper.	

AC(22)26	Field Hospital Lessons Learned	
	<p>Mr Carruthers presented the Field Hospital Lessons Learned report, noting that this was relatively self-explanatory. Members were reminded of the recommendation that the UHB undertake a 'lessons learned' exercise following the Internal Audit report on Field Hospital Decommissioning. Mr Carruthers explained that periodical lessons learned events had also been undertaken during the two years that Field Hospitals had been in existence. Since it was challenging to restrict the lessons learned exercise to decommissioning (the focus of the Internal Audit report), the scope had been widened. The lessons learned process had formally recognised the areas of improvement identified by Internal Audit and clearly acknowledged acceptance of these. Mr Carruthers felt, however, that it was important to recall where the organisation had found itself two years ago, what it was responding to and the pace of Field Hospital implementation. Mr Carruthers' original concept of Field Hospitals had been vastly different from the 'final product', which was much higher in terms of standard of environment. The UHB now has a proven template/framework, which can be utilised again, should this be required. There are lessons, however, and valuable learning in terms of due diligence, for example. Members heard that the UHB is currently in the process of decommissioning the final Field Hospital.</p> <p>Noting that the report focuses predominantly on operational issues, Professor Gammon enquired where lessons learned around financial procedures, commissioning of sites and procurement of equipment, etc, were being captured. Mr Thomas reminded Members that KPMG had been commissioned by Welsh Government to obtain/provide assurance around financial issues, which had prompted the UHB to request an independent Cost Advisor to review the process. The findings of this review had been presented to the December 2021 meeting of ARAC. In addition, the financial arrangements relating to Field Hospitals have been subject to one round of financial audit, as part of the 2020/21 accounts. Mr Davies welcomed the report, which was clear and comprehensive, and hoped that application of the lessons learned will not be required in the future. Mr Newman echoed this view, and stated that it is inevitable that there will be lessons to be learned when organisations are operating in this type of environment/circumstance. Within the Teams meeting chat, Members were advised that the report</p>	

	and ARAC's discussions will form part of HDdUHB's Public Inquiry evidence.	
	The Committee NOTED the Field Hospital Lessons Learned report.	
AC(22)27	TriTech	
	DEFERRED	
AC(22)28	Non-clinical Temporary Staff/Agency Spend	
	DEFERRED	
AC(22)29	Workforce Planning	
	DEFERRED	
AC(22)30	Quality & Safety Governance Framework	
	DEFERRED	
AC(22)31	Clinical Audit	
	DEFERRED	
AC(22)32	Falls	
	DEFERRED	
AC(22)33	Performance Reporting and Monitoring	
	DEFERRED	
AC(22)34	Commissioning	
	DEFERRED	
AC(22)35	Primary Care Clusters	
	DEFERRED	
AC(22)36	IT Infrastructure	
	DEFERRED	
AC(22)37	Continuing Health Care/Long Term Care Pathway	
	DEFERRED	
AC(22)38	External Validation Update	
	<i>Ms Stephanie Hire joined the Committee meeting.</i>	
	Introducing the External Validation Update report, Ms Stephanie Hire advised that representatives of HDdUHB had recently met with Welsh Government, who view the work being undertaken as an exemplar. Welsh Government wants other Health Boards to utilise this type of process post COVID-19, and has shared information/experience from HDdUHB. Mr Carruthers confirmed that validation will form a key part of Welsh Government's Planned Care Recovery plans.	

Noting that the validation exercise is two months behind the schedule originally proposed by Ernst & Young, Mr Newman enquired whether there is a risk that work and costs will encroach into the next financial year. Mr Thomas and Ms Hire confirmed that this is being managed 'in the round' within Scheduled Care. Mrs Hardisty reminded Members that Recovery Funding is non-recurrent, and will not be available next year. A contract had been placed with an external provider because the internal capacity to undertake this work had not existed. Mrs Hardisty enquired, therefore, whether an extension due to a lack of capacity within the external provider represents a breach of contract. Ms Hire emphasised that the Omicron variant and its impact was impossible to foresee. The UHB is working with Ernst & Young to bring forward the end date closer to the original. The issue of whether this represents a breach of contract would need to be established with Procurement. Members were also informed that there is currently a high demand for validators across Wales and that this is a bespoke skill/resource. Mrs Hardisty did not feel that this was an acceptable excuse, as Ernst & Young should have had plans to ensure resources were in place before competing for the contract. It may have been that internal validation capacity could have been recruited instead. Ms Hire advised that the UHB has recently lost a number of experienced validators and that recruiting replacements is proving challenging. Training a validator takes approximately two years.

Mr Newman noted that, based on the figures provided, the UHB is paying approximately £7 per patient/record validated, and questioned the value provided. For this 'unit price', Mr Newman was concerned whether the work was being undertaken with the requisite skill and care and enquired how much time is allocated to each patient record. Ms Hire advised that validation can take minutes or longer, depending on the size and complexity of the patient record. The validation exercise is in three stages; the first of these had not yielded the level of outcome a more straightforward validation would have; however, the yield in stages two and three will be higher. It should also be recognised that changes to clinical practice during the COVID-19 pandemic have impacted on patient records and thence validation. Validation is crucial to ensure that the UHB has a 'clean' waiting list, to avoid wasting clinical resource and time. Mr Carruthers confirmed that 50-60% of patients had been removed from waiting lists as a result of effective validation. Whilst there had been a slow start to the current exercise due to team members not being in place, Mr Carruthers anticipated that the yield and impact would increase during the next couple of months. Sizeable improvements are still to be seen. Mr Newman reiterated his concerns around the quality of outcome in view of the price per record. In response, Ms Hire emphasised that Clinical Directors/Leads are expected to evaluate validation output and discuss any queries with Ernst & Young. Members were reminded that the UHB has moved to a risk-stratified waiting list, which represents a change in approach. There is also triangulation with the Waiting List Support work, to ensure that patients are safe during their time on the waiting list. Concluding discussions, Mr Newman requested that, as noted in the report's recommendation, an update be provided on the outcome of the validation exercise when this is complete.

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	<p><i>Ms Hire left the Committee meeting.</i></p> <p>The Committee:</p> <ul style="list-style-type: none"> • TOOK ASSURANCE regarding the process underpinning the external validation exercise commissioned in late November 2021 and progress achieved to date • NOTED that it is proposed that a final report be provided to the Committee on completion of the validation exercise 	
AC(22)39	<p>Mental Health Legislation Committee Assurance Report around the Discharge of their Terms of Reference</p> <p>Mr Carruthers presented the Mental Health Legislation Committee (MHLC) Assurance Report. Referencing the Associate Hospital Managers training video, Mr Davies advised that this is available to all Independent Members.</p> <p><i>Mr Carruthers left the Committee meeting.</i></p> <p>The Committee NOTED the content of the Mental Health Legislation Committee report and was ASSURED that MHLC has operated effectively during 2021/22.</p>	
AC(22)40	<p>Audit Tracker</p> <p>Mrs Beare presented the Audit Tracker report, advising that, in response to operational pressures resulting from the COVID-19 pandemic, services had not been pursued for updates during December 2021 and January 2022. There will, however, be a return to bi-monthly reporting/updates going forward. Members heard that since the previous report, 16 reports have been closed or superseded, with 16 new reports received by the UHB. As at 27th January 2022, there are 93 reports currently open. 49 of these reports have recommendations that have exceeded their original completion date, which has increased from the 39 reports previously reported in December 2021. There is an increase in recommendations where the original implementation date has passed from 101 to 126. The number of recommendations that have gone beyond six months of their original completion date remains at 41 as reported in December 2021. Radiology and Out of Hours remain areas of concern, and outstanding recommendations will be reviewed with services. Whilst there is an improving picture in Mental Health; the recent HIW report into a Learning Disability Unit provides an additional focus in that area. It is anticipated that certain recommendations will be restored to the Tracker. Whilst Ms Beare expected a clearer picture at the next meeting, following updates from services, it was agreed that for the time being ARAC will continue to maintain a 'watching brief' and that there is no clear rationale for requiring attendance by any service.</p> <p>The Committee TOOK ASSURANCE on the rolling programme to collate updates from services on a bi-monthly basis in order to report progress.</p>	
AC(22)41	<p>Planning Objectives Update</p> <p>Mrs Wilson introduced the Planning Objectives Update report, reminding Members that three Planning Objectives have been assigned to ARAC, as follows:</p>	

	<ul style="list-style-type: none"> • 3B <i>Delivering Regulatory Requirements</i> • 3F <i>Board Assurance Framework</i> • 3H <i>Planning Objective Delivery Learning</i> <p>Of these, 3B was not included in the Planning Objectives for 2022/23 submitted to Board in January 2022, as it is part of routine 'business as usual' work; 3F has been completed; 3H has been deferred to 2022/23.</p> <p>The Committee TOOK ASSURANCE on the current position in regards to progress on the Planning Objectives aligned to ARAC, in order to onwardly assure the Board where Planning Objectives are progressing and are on target, and to raise any concerns where Planning Objectives are identified as behind in their status and/or not achieving against their key deliverables.</p>	
AC(22)42	National Internal Audit Reports	
	None to report.	
AC(22)43	Healthcare Inspectorate Wales (HIW) Activity Update	
	The Committee NOTED the HIW Activity Update.	
AC(22)44	Audit & Risk Assurance Committee Work Programme 2021/22	
	The Committee NOTED the ARAC Work Programme.	
AC(22)45	Any Other Business	
	There was no other business reported.	
AC(22)46	Reflective Summary of the Meeting	
	The ARAC Update Report would include a summary of discussions and would highlight and escalate any areas of concern to the Board.	
AC(22)47	Date and Time of Next Meeting	
	9.30am, 19 th April 2022.	