

**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, 24 th August 2021
Venue:	Boardroom, Corporate Offices, Ystwyth Building, St David's Park, Carmarthen and via MS Teams

Present:	Mr Paul Newman, Independent Member (Committee Chair) (VC) Mr Winston Weir, Independent Member (Committee Vice-Chair) (VC) Mr Maynard Davies, Independent Member (VC) Professor John Gammon, Independent Member (VC) Mrs Judith Hardisty, Vice-Chair, HDdUHB (VC)
In Attendance:	Ms Anne Beegan, Audit Wales (VC) Mr James Johns, Head of Internal Audit, NWSSP (VC) Ms Sophie Corbett, Deputy Head of Internal Audit, NWSSP (VC) Mrs Joanne Wilson, Board Secretary (VC) Mr Huw Thomas, Director of Finance (VC) Mrs Charlotte Beare, Head of Assurance & Risk (VC) Dr Philip Kloer, Deputy Chief Executive & Medical Director (VC) (part) Mr Andrew Carruthers, Director of Operations (VC) (part) Mr Lee Davies, Director of Strategic Development & Operational Planning (VC) (part) Mrs Mandy Rayani, Director of Nursing, Quality & Patient Experience (VC) (part) Ms Rhian Bond, Assistant Director of Primary Care, deputising for Ms Jill Paterson, Director of Primary Care, Community & Long Term Care (VC) (part) Ms Sarah Perry, General Manager, Unscheduled Care (VC) (part) Ms Rhian Davies, Assistant Director of Finance, deputising for Mr Ben Rees, Head of Local Counter Fraud Services (VC) (part) Ms Amanda Legge, All Wales Post Payment Verification Manager (VC) (part) Ms Amanda Mort, Post Payment Verification Team Leader (VC) (part) Ms Clare Moorcroft, Committee Services Officer (minutes)

Agenda Item	Item	
AC(21)135	Introductions and Apologies for Absence Mr Paul Newman, Audit & Risk Assurance Committee (ARAC) Chair, welcomed everyone to the meeting; particularly Ms Sophie Corbett, the new Deputy Head of Internal Audit, who was attending her first meeting. Apologies for absence were received from: <ul style="list-style-type: none"> • Mr Steve Moore, Chief Executive • Ms Jill Paterson, Director of Primary Care, Community & Long Term Care • Mr Ben Rees, Head of Local Counter Fraud Services • Ms Sue Tillman, Post Payment Verification Location Manager • Mr Simon Cookson, Internal Audit, NWSSP 	
AC(21)136	Declaration of Interests No declarations of interest were made.	

AC(21)137	Minutes of the Meetings held on 10th and 22nd June 2021	
	RESOLVED – that the minutes of the Audit & Risk Assurance Committee meetings held on 10 th and 22 nd June 2021 be APPROVED as a correct record.	

AC(21)138	Table of Actions	
	<p>An update was provided on the Table of Actions from the meetings held on 10th and 22nd June 2021 and confirmation received that outstanding actions had been progressed. In terms of matters arising, Mrs Joanne Wilson advised as follows:</p> <p>AC(20)175 – whilst there is no further update from Welsh Government on the UHB’s Enhanced Monitoring status, a report on the recent Joint Executive Team (JET) meeting is included on the agenda.</p> <p>AC(20)186 – the Corporate Governance team will provide support to the Operational team in their efforts to ensure a standardised approach to directorate governance arrangements. A report regarding this topic will be presented to a future Board meeting.</p> <p>AC(21)27 – an update on the Radiology Directorate is included on the agenda.</p> <p>AC(21)118 – whilst the first action is RAG rated Green, it is recognised that further work is required in this area.</p> <p>AC(21)119 – a report on Service Level Agreements with Third Sector Organisations is included on the agenda.</p> <p>Referencing the last of these, AC(21)119, Mrs Judith Hardisty noted that a letter had recently been received from Welsh Government regarding funding streams. The Integrated Care Fund and Transformation Fund are to be combined into a three year funding stream, although there is no clarity regarding the total amount as yet. The UHB will need to consider the impact of this change on current projects.</p> <p>With regard to AC(21)110, Members noted that information regarding expenditure on consultancy had been circulated and appended to the Table of Actions. Mr Huw Thomas acknowledged that HDdUHB has the second highest consultancy spend across Health Boards. He was concerned, however, that the UHB is not defining and coding ‘consultancy’ entirely correctly. For example, there are a number of payees included, such as Blake Morgan LLP, which constitutes payment for legal services/advice rather than consultancy. Tregaron Surgery is also included; they do not provide consultancy services to the UHB. Mr Thomas apologised for this apparent misreporting/coding, and committed to work with ARAC during the coming months to more accurately define consultancy. As an example, consideration would need to be given to whether payment for writing business cases should be classed as technical work or consultancy. Mr Thomas has requested that members of the Finance team consult with other Health Boards regarding their approach to this issue. There is much work to be done,</p>	

	<p>and this also links with the findings of the Internal Audit report on use of consultancy, which appears later on the agenda.</p> <p>Mr Winston Weir agreed with the above comments, stating that it is challenging to define consultancy and suggesting that it could be separated into various categories. Noting that there appeared to be a number of miscodings, Mr Weir also suggested that a review could be undertaken on a quarterly basis to address this issue. Agreeing, Mrs Hardisty felt that this information, and any categorisation of consultancy, should be considered through a 'public facing lens'. Members noted that Lightfoot is not included in the list; it was noted that this was because the majority of the contract was classed as a technical solution. There is, however a certain proportion, shared with two other Health Boards, which is classed as consultancy. Mr Thomas assured Members that both the Sustainable Resources Committee and ARAC would be consulted in this regard. In response to a request for clarification around how it is proposed to involve ARAC in discussions around consultancy and ongoing reporting, Mr Thomas explained that the latter would be via routine inclusion of information in the Financial Assurance report. Prior to this, there would be a separate report to a future meeting. Mrs Wilson advised that these discussions also link to a report being presented to the next Remuneration & Terms of Service Committee meeting on management consultants and strategic advisors.</p> <p>It was agreed that completed actions would be removed from the Table of Actions.</p>	HT
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AC(21)139	Matters Arising not on the Agenda	
	There were no matters arising not on the agenda.	

AC(21)140	<p>Enhanced Monitoring Update</p> <p><i>Dr Philip Kloer joined the Committee meeting.</i></p> <p>Introducing the Enhanced Monitoring Update report, Dr Philip Kloer noted that this has been another significant year for HDdUHB. It was suggested that preparing for the JET meeting with Welsh Government had been somewhat cathartic for the UHB's Executive Team, as it had allowed them to set out the challenges faced throughout the year. Dr Kloer felt that the positive letter subsequently received from the Director General of Health and Social Services reflects the remarkable efforts made by HDdUHB staff, together with an increased confidence in the organisation within Welsh Government, which is welcomed. Members were reminded, however, that the organisation remains in a Public Health emergency. It also remains in Enhanced Monitoring, although the ambition is to achieve routine monitoring status, via an agreed Integrated Medium Term Plan, together with an approved Programme Business Case for the Health & Care Strategy/new hospital, and a defined route to financial stability. Dr Kloer did not underestimate the challenges involved with delivering these, which will be critical to achieving routine monitoring status. Mr Newman emphasised that the sentiment in the letter from Dr Andrew Goodall and particularly the final sentence 'There is a lot of confidence in the organisation to deliver and we will help you to deliver it' should be recognised as a significant</p>	
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	achievement, which demonstrates the change in approach towards the UHB and reflects the work undertaken to get the organisation into its current position.	
	<i>Dr Kloer left the Committee meeting.</i>	
	The Committee NOTED the update on the JET meeting held on 7 th July 2021 and the response from the Chief Executive NHS Wales.	

AC(21)141	Review of the Capital Governance Arrangements - Terms of Reference	
	<i>Mr Lee Davies joined the Committee meeting.</i>	
	<p>Mr Lee Davies presented the Review of the Capital Governance Arrangements Terms of Reference report, inviting comments and feedback. Mr Maynard Davies commended the report, whilst querying the apparent absence of information regarding consideration of the contracts used. Whilst recognising that certain aspects of these are pre-determined, due to NHS Wales Shared Services Partnership (NWSSP) Specialist Estates Services frameworks, Members were reminded of concerns raised previously around contracts. For example, the lack of penalty clauses in the contract for the Women & Children's Phase 2 project. Mr Maynard Davies enquired regarding the source of advice regarding contracts and whether they are sufficient to meet the UHB's needs. In response, Mr Lee Davies advised that Mr Newman had also raised this issue in discussions prior to finalising the Terms of Reference. As a result, certain wording had been amended; however, this would be further strengthened. Professor John Gammon, whilst noting that the Terms of Reference/Scope mention reporting, governance and monitoring, highlighted that many of the issues around capital projects appear to have emanated from a lack of robust initial 'due diligence' procedures. Requesting assurance that these will be included in the review, Professor Gammon emphasised the importance of preparatory/early checks to assess suitability. Mr Lee Davies assured Members that it is intended to include this aspect, and acknowledged the need for continued evaluation during the review process, to ensure that ARAC and those conducting the review share the same expectations and understanding. Mr Newman confirmed that he had participated in discussions before the Terms of Reference were finalised, and had suggested that these reflect 'the lifespan' of a capital project. Whilst the ambition is for the review to be conducted promptly and its findings to be presented to the October 2021 meeting of ARAC; it also needs to be completed properly and comprehensively; therefore, if necessary, Members agreed that the report could be delayed until the December 2021 meeting.</p>	LD
	<i>Mr Lee Davies left the Committee meeting.</i>	
	<p>The Committee:</p> <ul style="list-style-type: none"> • TOOK ASSURANCE that the Terms of Reference have been approved by the Chief Executive Officer, following discussion with Executive Directors and Internal Audit; • NOTED that the review has commenced, with the final report including recommendations, being a substantive agenda item at the October ARAC meeting. 	

AC(21)142	Financial Assurance Report	
	<p>Mr Huw Thomas introduced the Financial Assurance Report, advising that this is of the standard format. Members' attention was drawn to the increased number of No PO No Pay breaches. Whilst these are generally low value, Mr Thomas will be discussing this matter with NWSSP to establish whether there is any pattern involved. Members noted that the number of Single Tender Actions (STAs) has significantly reduced from last year. Those STAs still being received, however, remain subject to the same level of scrutiny. The balance outstanding of aged overpayments and recoveries shows an upward trend; Mr Thomas hoped that the Overpayments Policy and Group will address this trend. Appendix 1 details two STAs; HDD568 being for security services at the Mass Vaccination Centre in Llanelli. The bulk of costs associated with vaccination centres had been agreed in a single process; however, this payment had not been included in that process. There were no write-offs or special payments requiring approval.</p> <p>Mrs Hardisty noted the Pembrokeshire field hospital VAT recovery claim issue on page 8 of the report, and enquired whether a risk assessment had been conducted. Also, with regards to STA HDD569, Mrs Hardisty reminded Members of her previous suggestions that such payments be managed via maintenance contracts rather than STAs. In response to the first query, Mr Thomas explained that there was no significant risk. This is unique to Bluestone due to the nature of the UHB's contract with them, so is not an issue in terms of the other Field Hospitals. The VAT involved is not assumed in the UHB's accounts, so if recovered, it will be a benefit. In regards to the second query, Members were assured that Mr Thomas has been clear that maintenance costs should be processed as such rather than via STAs. The cost in question, however, is for a replacement part/item. Mr Thomas offered to add such costs to the definition of maintenance for the future. Welcoming the report, Mr Weir queried whether there should be an Operational representative on the Overpayments Task & Finish Group, to ensure that actions are enacted. Also, with regard to STA HDD568, Mr Weir requested further clarification regarding payment terms. In response to the latter, Mr Thomas advised that payment was based on a daily rate for an agreed period. In respect of the first query, it was explained that overpayments are not restricted to any one operational team, and can also involve Corporate teams. Members were assured, however, that there has been engagement with operational staff, to ensure that proposed actions are feasible. Mr Weir suggested that the importance of these actions could be reinforced via the new Workforce Relationship Managers. With regards to the Capital Front of House Scheme (Bronglais Hospital) and ongoing dispute with HMRC, Mr Newman requested assurance that the fees being paid to the UHB's VAT advisors will not exceed the amount of VAT at issue. Mr Thomas provided this assurance, adding that any amount recovered would be an unanticipated benefit.</p>	HT
	The Committee NOTED the Financial Assurance Report.	
AC(21)143	Service Level Agreements - Third Sector Organisations	
	<i>Mr Andrew Carruthers joined the Committee meeting.</i>	

Mr Andrew Carruthers presented the Service Level Agreements - Third Sector Organisations report noting that, whilst there are extenuating circumstances surrounding all of the SLAs presented, there are also actions which can and should be taken to strengthen processes, to mitigate the risk of recurrence. Certain recommissioning delays have resulted from the impact of the COVID-19 pandemic. Mr Carruthers hoped that the report sets out the issues and why the UHB finds itself in the position it is.

Noting the intention to conduct a review of Palliative Care Services, and the figures in Annex A, Professor Gammon expressed concern regarding the UHB's capacity to deliver and ability to manage the risks associated with this being classified as an essential service. Mr Carruthers felt that this was a valid concern, whilst noting that the associated Strategy has not yet been finalised. The concerns outlined by Professor Gammon will be key in considering the Strategy and whether the UHB require ongoing interim arrangements until such time as it can establish sufficient local service capacity. Mrs Hardisty welcomed the informative report. In regards to Mental Health Services, Members heard that Mind and Hafal are both members of the national Mental Health Partnership Board and the Ministerial Oversight Group, suggesting an expectation that they will contribute to Mental Health provision solutions going forward. Whilst emphasising that there are no issues with the quality of service offered by these providers, Mrs Hardisty felt that the proposals presented may put HDdUHB in a slightly unusual position with respect to Welsh Government expectations. The inclusion of Mind and Hafal in national discussions also raises the question of service providers being involved in planning solutions, and whether this presents a conflict of interests/governance issue. Mr Carruthers advised that, in certain cases, the organisations identified are the only providers operating in those areas. However, the wider issue around governance is one which should probably be flagged. Mr Thomas explained that the organisations being discussed have an advocacy role as part of their charitable status. It is their commercial arm that the UHB would be negotiating with for commissioning purposes, and this should be subject to the same rigour as any other commercial arrangement. Whilst recognising this, there was concern that the 'line' between charitable and commercial operations can be less defined than might be desirable in some cases. Mr Thomas offered to raise this issue with other Directors of Finance.

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Mr Newman requested clarification regarding the statement on page 2 that 'all SLA's were reviewed for service delivery, performance and value for money in 2019. New service specifications were developed, and SLA's issued until 31st March 2023 to allow for a robust recommissioning exercise.' In response, Mr Carruthers stated that there had potentially been a misunderstanding at Directorate level regarding the detail of what had been agreed at Board. It was confirmed that there are detailed plans in place to conduct a procurement/recommissioning exercise at the end of 2022. Suggesting that the continuation of arrangements with Third Sector organisations essentially forms an STA by another route, Mr Newman noted a lack of clarity around how this had been agreed, and enquired whether the Directorate are aware of the Executive Team's concerns. Mr Carruthers advised that he and Mr

	<p>Thomas had held detailed and robust discussions with the Directorate to ensure that they are cognisant of concerns. Members were also assured that there is a robust commissioning process in place. Mr Thomas advised that the UHB has an extremely complex environment of non-recurrent funding arrangements, with particular challenges within operations. In Mental Health and the Counties especially, there is a situation whereby the organisation is almost faced with a ‘fait accompli’ in terms of such arrangements. Mr Thomas recognised that further work is required, including the need to consider the role and involvement of the contracting team going forward.</p> <p><i>Mr Carruthers left the Committee meeting.</i></p>	
	<p>The Committee NOTED the Service Level Agreements agreed and the process put in place to address the issue.</p>	

<p>AC(21)144</p>	<p>Post Payment Verification (PPV) End of Year Report</p> <p><i>Ms Rhian Bond, Ms Amanda Legge and Ms Amanda Mort joined the Committee meeting.</i></p> <p>Ms Amanda Legge presented the Post Payment Verification (PPV) End of Year Report, explaining that this only covers General Medical Services (GMS) for the time being, although the team are exploring the feasibility of remote PPV visits to General Ophthalmic Services (GOS). Following an instruction from Welsh Government that these can take place, remote visits will be conducted via MS Teams for those practices with Office 365. It was hoped that visits will begin in October 2021, and preparatory training events for Ophthalmic practices are planned. Visits have taken place to assess the feasibility of Pharmacy service checks via the Quality and Safety Scheme. A video guide for GMS has been created and published on the NWSSP Intranet. There will be PPV Roadshow events taking place from November 2021 onwards, and a questionnaire has been developed and circulated. The PPV team has begun meetings with local and national Counter Fraud teams. They contribute to the All Wales Group and meet with Health Boards on a quarterly basis. With regards to the report presented, all practice visit reports have been closed/finalised. The average claim error percentage for HDdUHB (at 18.34%) is somewhat higher than the All Wales figure of 12.49%. However, as an error rate of over 10% triggers a revisit, this will also produce a higher error percentage rate. Going forward, the PPV team will split GMS statistics into routine visits and revisits and combined figures, to make the report clearer.</p> <p>Mrs Hardisty expressed concern regarding the figures for Practices 8 to 15 – Practice 10 particularly – noting high error rates; and requested assurance that these issues are being addressed urgently and not left until revisits for resolution. Ms Legge assured Members that practices are offered retraining. Ms Amanda Mort advised that most of the revisits had been triggered by new services having been introduced, which practices were struggling to become accustomed to processing. This issue should lessen as time goes on and the error rates should be rectified. Mrs Hardisty suggested that this explanation may be reasonable in the case of one practice; however, due to the numbers involved, it did not really provide reassurance. Agreeing, Mr Newman reminded Members of similar discussions at previous meetings. Mr</p>	
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	<p>Thomas emphasised that the PPV and Counter Fraud teams have a strong working relationship, which would be beneficial in the case of any suspect activity. Whilst accepting that any amount is unacceptable, it was highlighted that the amount recovered in 2019/20 was £40k in total. In response, Mr Newman highlighted that this is a recurrent issue, and Mrs Hardisty added that there is also the question of triangulation of data. PPV data needs to be triangulated with information from regulator/inspectorate visits, such as Healthcare Inspectorate Wales, for example. The issue is further exacerbated by the lack of a Primary Care committee, as there is no longer a forum which views all of the relevant data/detail. Ms Rhian Bond advised Members that there are robust processes in place within the Primary Care team, and assured them that clinical issues are considered alongside PPV data. The team operate active interventions with requirements for action plans. Ms Bond suggested that there are cases of genuine misunderstandings, for example where national guidance is ambiguous. Members also heard that the Primary Care Contracting Group has recently been reconstituted and that this considers a single dashboard of all GP practice data. The Group will report into the Operational Quality, Safety and Experience Sub-Committee. Thanking Ms Bond for this additional information and assurance, Mr Newman enquired whether the Primary Care team is addressing the issues relating to Practice 10. Ms Bond confirmed that support is being provided to this practice and others. The team works with practices, tailoring the response to the issues involved and preparing an action plan. Counter Fraud colleagues are involved when necessary.</p> <p><i>Ms Amanda Legge and Ms Amanda Mort left the Committee meeting.</i></p> <p>The Committee NOTED the contents of the PPV End of Year Report.</p>	
AC(21)145	<p>NHS Pension Scheme Year End Processing 2021</p> <p>Mr Thomas introduced the NHS Pension Scheme Year End Processing 2021 report. In response to a query regarding what constitutes 'excluded errors', Mr Thomas explained that this refers to work conducted by the NHS Pensions Agency and that the report is as presented. The UHB is not provided with any additional detail.</p> <p>The Committee NOTED the contents of the NHS Pension Scheme Year End Processing 2021 Report.</p>	
AC(21)146	<p>Primary Care PPV Update Report</p> <p>Ms Bond presented the Primary Care PPV Update Report, stating that this focuses on GMS and reflects a service exiting a period of contract reset. There were no further comments or queries.</p> <p><i>Ms Rhian Bond left the Committee meeting.</i></p> <p>The Committee NOTED the contents of the Primary Care PPV Update Report.</p>	
AC(21)147	<p>Audit Wales Update</p> <p>Ms Anne Beegan provided an update on Audit Wales' performance audit work, noting that several reports due to come to this meeting have been deferred to October 2021. Audit Wales is experiencing a slight backlog of work; however the Quality Governance report is due to be</p>	

	<p>published imminently, followed by the Referral to Treatment Monies report. Field work on the Structured Assessment is ending and Ms Beegan will discuss with the Board Secretary where in the UHB committee structure this is reported. In response to a query regarding whether the remaining reports are anticipated to the timescales indicated, Ms Beegan confirmed that this was the case, with the possible exception of the Orthopaedics report. This is more complex, as it involves other Health Boards, and Audit Wales has had to prioritise COVID-19 related audits.</p>	
	<p>The Committee NOTED the Audit Wales Update.</p>	

AC(21)148	<p>Management Response to the Structured Assessment 2021: Phase 1 - Operational Planning Arrangements</p>	
	<p><i>Mr Lee Davies re-joined the Committee meeting.</i></p> <p>Mr Lee Davies reminded Members that Audit Wales had prepared an extremely helpful report, which had been presented to the previous meeting. The UHB had agreed all recommendations, and now presented the management response for consideration.</p> <p>Referencing Recommendation 2, Mr Maynard Davies noted the timescale for the first action was August 2021 and enquired whether there was any update on progress. Mr Lee Davies confirmed that he had made changes within the team to divert staff resources in the short-term. In response to a query regarding ability/capacity to meet the timescales outlined, Mr Lee Davies advised that he was confident actions can be achieved.</p> <p><i>Mr Lee Davies left the Committee meeting.</i></p>	
	<p>The Committee AGREED that the management response provides assurance that the 4 new recommendations within the report will be addressed appropriately.</p>	

AC(21)149	<p>Welsh Health Specialised Services Committee (WHSSC) Governance Arrangements</p>	
	<p><i>Dr Kloer re-joined the Committee meeting.</i></p> <p>Members noted that this report had been scheduled to be presented to the June 2021 meeting; however, governance dictated that it be considered by the Audit Committee of Cwm Taf Morgannwg UHB (as host organisation) in the first instance. Dr Kloer welcomed this review of WHSSC's governance arrangements, and advised that all the organisations which comprise WHSSC will consider this report at their Audit Committees. Members were reminded that HDdUHB is part of WHSSC and, as such, is instrumental in ensuring the report's recommendations are taken forward. One of the key issues the UHB would wish to accentuate and clarify relates to escalation arrangements for concerns regarding services commissioned from WHSSC, and from other providers. Mrs Wilson informed Members that the report has been considered by both WHSSC and Cwm Taf UHB. It is a standing item on the agenda for the national Board Secretaries meeting, and work is underway to explore how to improve HDdUHB's relationship with WHSSC. It was suggested that the response to the report from Welsh</p>	

	<p>Government was not as robust as it might be; Audit Wales will be revisiting this with Welsh Government. Mr Newman and Mrs Hardisty agreed that the response requires strengthening, and that the response to Recommendation 4b is particularly unsatisfactory, given previous issues around lack of clarity regarding how services are provided and/or moved when necessary. Mr Newman enquired whether the report had been considered by Cwm Taf in a finalised state, together with management response. Ms Beegan committed to establish whether this was the case. Members heard that an update on the management response is scheduled for the WHSSC Joint Committee meeting in January 2022. Mrs Wilson would liaise with the WHSCC Committee to ensure that information and updates are shared. Given the significance of this report and the concerns regarding the management response, it was agreed that this matter would be highlighted to Board. Mrs Wilson also suggested that steps need to be taken to ensure that future Board discussions with WHSSC are constructive and produce results, rather than being simply an annual reporting exercise.</p> <p><i>Dr Kloer left the Committee meeting.</i></p> <p>The Committee NOTED the Audit Wales WHSSC Governance Arrangements report.</p>	<p>AB</p> <p>PN/JW</p>
AC(21)150	Orthopaedic Services Follow-up	
	DEFERRED to 19 th October 2021 meeting.	
AC(21)151	Review of the Sustainable Use of RTT Monies	
	DEFERRED to 19 th October 2021 meeting.	
AC(21)152	Quality Governance	
	DEFERRED to 19 th October 2021 meeting.	
AC(21)153	Supporting Staff Wellbeing during COVID-19	
	DEFERRED to 19 th October 2021 meeting.	
AC(21)154	Internal Audit Plan Progress Report	
	<p>Mr James Johns presented the Internal Audit (IA) Plan Progress report, advising that Section 2 highlights the audits concluded since the previous meeting, two of which had received a rating of Limited Assurance. The report also provides an update on progress/delivery of other audits, including those deferred to the October 2021 meeting. Referencing paragraph 3.7, Mr Johns reported that he and the Director of Audit & Assurance had met with the ARAC Chair and Board Secretary to discuss previous requests to provide information regarding audits. As a result, it had been agreed that audits would be categorised into type by scale and complexity.</p> <p>The Committee NOTED progress with the plan for current year and the assurance available from the finalised Internal Audit reports.</p>	
AC(21)155	Radiology Directorate Internal Audit Update	
	<i>Mr Carruthers re-joined the Committee meeting. Ms Sarah Perry joined the Committee meeting.</i>	

Introducing the Radiology Directorate Internal Audit Update report, Mr Carruthers stated that he was disappointed to be presenting a report which did not reflect the level of progress he had wished. Mr Carruthers had hoped to be in a position whereby the process of replacing the current Out of Hours service provision was almost complete; ie rotas would have been changed, and an Organisation Change Process would have been undertaken. However, a number of issues have impacted on the UHB's ability to complete this work. Most significantly, only 5 of the 14 expected radiography graduates were recruited. There are also vacancies in other key staff groups, meaning that a move to the new shift system at this stage would make the service even more fragile. The UHB has been informed that it will receive a further 14 graduates, however, there is no guarantee that these will materialise. The 5 recruited this year had been absorbed into vacancies in the Band 6 establishment, rather than providing additional Band 5 support as originally intended. The Directorate has significantly overspent, due to staffing costs; the new shift system would have reduced the run-rate spend. In addition to the above, the previous Head of Service has left the UHB and, whilst a new Head of Service had been appointed, they are not due to commence in post until November 2021. Mr Carruthers felt that the Directorate should review its plans, suggesting that the new Head of Service will assist in this respect, as they may have different views or approaches regarding how posts/graduates might be utilised. A proposal had been presented to the Executive Team seeking approval to postpone replacing the current Out of Hours service provision, until such time as the newly recruited Head of Service is in post and has an opportunity to conduct a full review. Whilst this had been supported, Mr Carruthers reiterated his disappointment that more progress had not been made.

Professor Gammon, whilst appreciating the reasons for Mr Carruthers' disappointment, emphasised that the report also clearly indicates the reasons for delays in progress. Professor Gammon was, however, concerned by ongoing issues with graduate recruitment, which have impacted severely on the UHB's plans. Members were reminded that Health Boards submit workforce plans to Health Education and Improvement Wales (HEIW), and that universities are commissioned to provide student places on the basis of these plans. In addition, NWSSP have 'streamlining' processes in place around graduate recruitment. Despite all of these planning processes, HDdUHB has received only 5 of the 14 allocated graduates. Professor Gammon enquired as to the extent the UHB is escalating this as an issue to HEIW and NWSSP, suggesting that there is an obligation on these other organisations to support delivery of services. Failure to recruit graduate posts is no fault of the operational teams or departments involved. This was not an isolated incident, and Professor Gammon felt that the Board should be conversing with HEIW and NWSSP to agree a future strategy. Mr Carruthers advised that he and Mrs Lisa Gostling would be taking this forward at Executive level; Professor Gammon indicated that he would also discuss this matter with Mrs Gostling, and request that it is considered at the next People, Organisational Development & Culture Committee (PODCC) meeting. Whilst it was recognised that graduates will always exercise choice in recruitment processes, Professor Gammon suggested that pressure should be exerted on universities to

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ensure sufficient final placements in HDdUHB and that efforts be made to ensure that students' experience during these placements is positive. In response to a request for information on why the allocated graduates did not take up posts at HDdUHB, Ms Sarah Perry advised that Cardiff & Vale UHB had proved an extremely popular choice.

Mr Newman also acknowledged Mr Carruthers' disappointment, and agreed that the reasons behind low numbers of graduate appointments need to be clarified. It was emphasised that, without sufficient staff to deliver them, any plans – however robust – are inoperable. Shortfalls in staff result in increased locum and agency costs and poor outcomes for patients. Mr Carruthers confirmed that Radiology incurs significant agency staffing costs, of approximately £1m per year. Mrs Hardisty shared the concerns of other Members, whilst wondering whether a lack of establishment staff also contributes to poor supervision of students, leading to a poor experience. Also, how it is possible for Cardiff & Vale UHB to accommodate the additional graduates they must have accepted. Mrs Hardisty expressed concern that the report refers only to the four acute sites, highlighting that Radiology services are also provided at Cardigan, Tenby, Llandoverly and South Pembrokeshire. The somewhat lengthy timescales within the report were also queried, assuming that the new Head of Service is relatively experienced. Finally, Mrs Hardisty enquired whether there is a Clinical Lead in this specialty, and how they contribute to this and wider discussions. Whilst accepting the comment regarding acute sites, Mr Carruthers reminded Members that the recommendations focus on Out of Hours and Core Services, which are only provided at the four acute hospitals. The workforce issues do impact on all services, however. With regards to the timescales, Mr Carruthers was happy to revisit these; however, they had been designed to take account of the new intake in March 2022. It may be possible to explore whether timescales can be accelerated when the new Head of Service joins.

Ms Perry advised that the Clinical Lead for Radiology is Dr Liaquat Khan, and that Dr Khan actively engages with meetings. In terms of staffing, Bronglais General Hospital is relatively well-served, there are several part-time staff at Withybush General Hospital, and a number of locums at Glangwili General Hospital and Prince Philip Hospital. The new Head of Service is Gail Davies, who has been appointed from Breast Screening Wales and is extremely experienced, with strong links across Wales. Ms Perry suggested that a key role for the new Head of Service will be to develop the site leads, and that it will be important for her to build a relationship with the teams before imposing a new shift system. As mentioned previously, the new Head of Service should also be offered the opportunity to review proposals to assess whether they represent the best approach. It will also be important to reflect on changes made in response to the COVID-19 pandemic. Mr Thomas stated that staffing within Radiology and the associated cost/ budget issues are long-standing, and will require further consideration. Referencing the table on page 4 of the report, Mr Davies observed that, assuming recruitment issues can be resolved, the changes to staffing establishment represent a significant change to the skill mix. For example, there is a proposed reduction in the number of Band 7 Radiographers from 29 to 14. Mr Davies enquired whether there has

	<p>been engagement with staff regarding proposals. Mr Davies was also surprised that Nursing and Admin Support Posts were categorised together; noting that the Royal College of Nursing sets specific requirements regarding the number of nurses required for certain procedures, and querying whether the nursing establishment is sufficient to meet these requirements. With regard to the issue of skill mix, Mr Carruthers explained that there is a shortage of senior staff in Radiography, and the plan is an attempt to develop junior staff and trainees and become more 'agile'. Unfortunately, the recruitment issues with graduates outlined earlier have impeded this plan to some extent. Ms Perry stated that she was not aware of any deficit in nursing numbers, but would make enquiries with site leads. Ms Beegan reminded Members that a national academy for imaging had been established several years ago, and that Mr Steve Moore is the lead Chief Executive for imaging. Further to discussions around timescales, Mr Newman indicated that he would welcome an earlier update if possible; otherwise, it was suggested that an update be presented to the June 2022 ARAC meeting. Mr Carruthers also advised that there had been a discussion at the Quality, Safety & Experience Assurance Committee (QSEAC) regarding a potential 'deep dive' into Radiology, which offers another potential route for taking matters forward.</p> <p>In view of the foregoing discussions, and recognising that it will be difficult to make changes until this issue is resolved, it was agreed that concerns around recruitment, particularly graduate recruitment, should be flagged to the Board for discussion at a higher level.</p> <p><i>Ms Perry left the Committee meeting.</i></p>	<p>SP/AC</p> <p>AC</p> <p>PN/JW</p>
	<p>The Committee:</p> <ul style="list-style-type: none"> • RECEIVED the report as a source of assurance that the outstanding recommendations have been progressed; whilst NOTING that due to the mass staff shortfalls identified there is a need to postpone proceeding to replace the current out of hours service provision; • Due to a newly recruited Head of Service, AGREED to receive a completed service review and proposal, in which to replace the out of hours provision, by June 2022. 	

<p>AC(21)156</p>	<p>Field Hospital Decommissioning (Advisory Review)</p> <p>Mr Johns introduced the Field Hospital Decommissioning (Advisory Review) report, advising that this had focused on the strategy and planning around the decommissioning process. As this was an Advisory Review, there was no assurance rating; however, key issues and lessons to be learned had been identified. The Executive Summary outlined the significant challenges faced and efforts made, and noted that the governance and reporting arrangements in place were appropriate. Paragraph 2.3 highlights key issues and possible alternative approaches. Section 4 summarises findings/suggestions and includes the management comment/response.</p> <p>Mr Carruthers welcomed the report and the manner in which the review had been conducted. It had provided useful information in terms of potential lessons learned. Due to its ongoing nature, there is a risk of forgetting the context faced by the UHB in decision-making at the beginning of the COVID-19 pandemic. Based on the experience of</p>	
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	<p>other countries, the organisation faced the challenge of creating 1,000 additional beds in just 8 weeks, and anticipated that the pandemic would take a different path than it did. In terms of the decommissioning process, Mr Carruthers explained that management support for this had presented challenges. In order to manage the Field Hospitals, which were additional facilities over and above the existing estate, staff were re-deployed. However, as the organisation returns to 'business as usual' these staff have, in general, also returned to their substantive roles. This had created the challenges mentioned above, and would need to be considered in the event of similar situations in the future. Mrs Wilson noted that, whilst Advisory Reviews such as this were useful, their status makes the tracking of findings/suggestions challenging. Management responses are narrative only, with no indication of timescale for changes/actions. It was suggested that more clarity in this regard would be helpful. Mr Johns accepted this comment, whilst noting that this particular report focuses on lessons learned rather than reflecting a formal review. It was suggested, however, that there could still be a requirement for a timescale in which to conduct a 'lessons learned' exercise; therefore, it was agreed that the management lead and timescale for the 'lessons learned' exercise to be undertaken would be provided in the Table of Actions. Mrs Hardisty agreed that it would be easy to overlook the context of the start of the pandemic, and queried where this review fits in terms of the forthcoming Public Inquiry. Mrs Hardisty also noted that, whilst there had been a plan in place for an Influenza pandemic, no plan existed for any other type of pandemic, which she felt was a major omission. The efforts made to ensure that Independent Members were kept informed, however, and the success of this process should be recognised. Mr Thomas informed Members that there is work ongoing as a result of the review commissioned by HDdUHB into the costs of establishing its Field Hospitals, which he would wish to present to ARAC once complete.</p> <p><i>Mr Carruthers left the Committee meeting.</i></p>	AC
	<p>The Committee NOTED the Field Hospital Decommissioning (Advisory Review) report.</p>	

AC(21)157	Welsh Language Standards (Limited Assurance)	
	<p><i>Dr Kloer re-joined the Committee meeting.</i></p> <p>Mr Johns introduced the Welsh Language Standards report, drawing attention to the changes made in Internal Audit report format, which it is hoped make them more 'user friendly'. This audit had focused on how the Welsh Language Standards are embedded into the organisation and its activities, and the risks around ability to comply with the Standards. Three high priority recommendations had been made, and an assurance rating of Limited Assurance awarded. Dr Kloer fully acknowledged the need to increase the profile of the Welsh language, in a region where Welsh speakers are prominent. The UHB is not where it should be in this regard and Mr Moore, as Chief Executive, recognises that insufficient progress has been made. Mr Moore has met with Professor Gammon, Mrs Gostling and Mr Thomas in an attempt to increase momentum behind the actions outlined within the report. In addition, Mrs Gostling and Ms Delyth Raynsford (Independent Member) are developing a new Planning Objective around Welsh language and</p>	

	<p>culture. A vision and culture around this needs to be established within HDdUHB, as it is currently not sufficiently strong. Consideration is also being given to the Executive leadership for this area; and whether this should be Mr Moore as Chief Executive, or whether another member of the Executive team would be more appropriate.</p> <p>Professor Gammon felt that the findings of the report were fair, and assured Members regarding the ambitions and intentions of the Executive Team in raising the profile of the Welsh language. Professor Gammon was concerned, however, with regards to the monitoring and governance around this issue. In particular, the suggestion that different elements of the Welsh Language Standards be split between two committees. Professor Gammon was of the opinion that the PODCC should be responsible for the ongoing scrutiny of this area, in order to ensure appropriate challenge to those charged with delivery. In response, Mrs Wilson advised that the recommendations within the report will be added to the central Audit Tracker, and actions will be monitored/escalated as necessary. Findings will also be aligned to the Welsh Language Planning Objective mentioned above. Consideration will be given to whether this issue is most appropriately placed with PODCC or the Strategic Development & Operational Delivery Committee, or both. Mrs Wilson would provide an update at the next meeting. Mr Davies suggested that the timescales in the management response lack clarity; for example the timescale for Recommendation 1 does not specify whether this refers to the Welsh Language team contacting directorates, or the directorates embedding the Standards within their plans. The timescale for Recommendation 2 appears rather long. There does not appear to be a commitment for directorates to implement Recommendation 3. Mr Newman added that the timescale for Recommendation 4 also seems overly lengthy. In response, Mr Johns indicated that Recommendation 1 refers to an action by the Welsh Language team rather than directorates. Members heard that there had been dialogue around the management response, including timescales; the dates were proposed by the service. Dr Kloer agreed that the action detailed in the management response to Recommendation 1 is for the Welsh Language team, whilst emphasising that all directorate plans should incorporate the Welsh Language Standards. The organisation should have an improved understanding of the risks involved in terms of compliance once the work outlined above has been completed. Dr Kloer was not sure why the target date for establishing a Welsh Language Steering Group was March 2022, and accepted that this may need to be brought forward. He would feed back the Committee's comments in this regard.</p> <p>The Committee NOTED the Welsh Language Standards (Limited Assurance) report.</p>	<p>JW</p> <p>PK</p>
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<p>AC(21)158</p>	<p>Human Tissue Act (HTA) Compliance (Reasonable Assurance)</p> <p>Mr Johns introduced the Human Tissue Act (HTA) Compliance report, stating that this had examined compliance across the organisation. The report had received an assurance rating of Reasonable Assurance, reflecting the positive position generally, with the audit having identified one high priority recommendation. Dr Kloer informed Members that HTA compliance spans two different service areas; mortuary services and research activities. Immediate action had been taken regarding</p>	
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	<p>Recommendation 1, in relation to Biobank Internal Audits. A review of capabilities and options appraisal in this respect was already being undertaken, following discussion at the Research & Innovation Sub-Committee. Dr Kloer was also comfortable in terms of the other actions and recommendations. Members were advised that the UHB is also subject to inspections from other regulators and external bodies, and it is possible that they will identify other issues; if so, these will be responded to and addressed via the appropriate assurance structures.</p> <p>Mr Davies welcomed the news that prompt action has been taken around the Biobank audit programme, and enquired as to the date of the first planned audit. Dr Kloer advised that this had already occurred, on 26th July 2021, and that a rolling programme is in place. It was not the case that audits did not take place; rather that these were reactive as opposed to proactive. In terms of monitoring compliance with the HTA standards, Professor Gammon enquired whether this would be via the Research & Innovation Sub-Committee. Dr Kloer responded that due to the split across service areas mentioned above, compliance has previously been monitored separately, with only the Biobank reporting via the Research & Innovation Sub-Committee. There is a need for an expert view from the latter for research activities, and from Pathology in relation to Mortuary services, together with an overarching view. Dr Kloer is taking advice from the Board Secretary and Head of Assurance & Risk regarding how best to manage this issue. Mrs Wilson assured Members that the recommendations from this report will be included on the central Audit Tracker, and that correspondence is also being managed via the Chief Executive's Office. Concerns will be managed via the Quality, Safety & Experience Committee. Processes had, therefore, been put in place to fill the gap which had previously existed. Highlighting the management response to Recommendation 3, Mr Newman requested that 'regularly' be defined. Mrs Wilson committed to follow this up with the service.</p> <p><i>Dr Kloer left the meeting.</i></p>	<p>JW</p>
	<p>The Committee NOTED the Human Tissue Act (HTA) Compliance (Reasonable Assurance) report.</p>	

<p>AC(21)159</p>	<p>Use of Consultancy (Limited Assurance)</p> <p>Ms Sophie Corbett introduced the Use of Consultancy report, explaining that one high priority recommendation had been identified, relating to the absence of appropriate guidance setting out the definition of consultancy engagements. This had resulted in a Limited assurance rating overall. Other concerns were also raised, including incomplete evidence of post completion reviews; although plans to put these in place were noted. Mr Thomas thanked the Internal Audit team for their robust and thorough audit of this area, accepting that the issues identified need to be addressed. Members were advised that investigations have established that all engagement had been undertaken in line with the Scheme of Delegation, but not necessarily in line with the Scheme of Delegation for consultancy. As discussed earlier, there is a need to more accurately define consultancy. Also, any expenditure over £25k requires the relevant approval, and the requisite monitoring and reporting must take place. Mr Thomas was confident</p>	
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	<p>that these issues would be addressed by December 2021 at the latest, possibly by October.</p> <p>Mrs Hardisty expressed concern regarding the issues detected by the audit, and queried whether there is sufficient detail in the management response as it stands. Whilst somewhat assured by subsequent discussions, Mrs Hardisty requested that future management responses contain increased detail. Mr Thomas accepted this comment. Noting the management response to Recommendation 2, and the intention to include this information in the Financial Assurance Report to ARAC, Mr Newman observed that, whilst this might concern assurance regarding benefits of consultancy, it may also be specific to other committees, depending on the type of consultancy concerned. Mr Thomas explained that he envisaged a single page 'framework' within the Financial Assurance Report, detailing which monitoring reports and post completion reviews are being presented to the various committees. Mr Weir suggested that a detailed report, outlining outcomes and benefits is presented to the Sustainable Resources Committee at least annually.</p> <p>The Committee NOTED the Use of Consultancy (Limited Assurance) report.</p>	<p>HT</p>
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<p>AC(21)160</p>	<p>Single Tender Actions (Reasonable Assurance)</p> <p>Ms Corbett introduced the Single Tender Actions report, advising that the audit had found that the UHB's use of STAs was not excessive. An assurance rating of Reasonable Assurance had been awarded. The audit had, however, identified two examples where an STA had been used inappropriately; one where the duration was of concern and one where the rationale was questionable. There were also concerns around the propriety of the Board Secretary's involvement in the process, with it noted that this is unusual and unique to HDdUHB.</p> <p>Referencing the latter finding, Mrs Hardisty was not sure whether this was positive or negative. In response, Mr Johns explained that the Board Secretary generally acts in an advisory capacity, rather than providing approval. Mrs Wilson reminded Members that her involvement in approving STAs had begun as a result of a recommendation made by the previous Head of Internal Audit. Mr Thomas advised that there had been some debate around whether the assurance rating of this report, and whether it should have been Limited rather than Reasonable Assurance. Members were assured, however, that there was no issue of STAs not being reported to ARAC as required. Mr Newman suggested that the SLAs reported earlier might be viewed as an exception to this statement, with Mr Thomas explaining that this had been the reason for presenting them today. Members heard that the current STA form is somewhat complex, which potentially leads to issues, and by their nature are highly subjective. Mr Thomas hoped that the number will further decrease as the organisation exits the COVID-19 pandemic. Whilst welcoming the audit's findings, it is clear that there is more work required, and Members were assured that ARAC will be fully sighted of any issues.</p> <p>The Committee NOTED the Single Tender Actions (Reasonable Assurance) report.</p>	
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AC(21)161	<p>Directorate Review: Women and Children's Services</p> <p>DEFERRED to 19th October 2021 meeting.</p>	
AC(21)162	<p>Medical Staff Recruitment</p> <p>DEFERRED to 19th October 2021 meeting.</p>	
AC(21)163	<p>Health & Safety Assurance Committee Assurance Report around the Discharge of their Terms of Reference</p> <p><i>Mrs Mandy Rayani joined the Committee meeting.</i></p> <p>Mrs Mandy Rayani introduced the Health & Safety Assurance Committee (HSAC) Assurance Report, advising that the Committee has been able to meet on a regular basis since it was established, and throughout the COVID-19 pandemic. The Committee has become stronger during its tenure, which has enabled it to ensure that agenda items are relevant and to provide the organisation and Board with assurance. The Chair of HSAC, Mrs Hardisty stated that, from an assurance point of view, the Committee and associated focus on Health & Safety has facilitated much needed development, a raised profile and increased resourcing. The Health & Safety team has also risen to the challenge admirably, which should be recognised. The UHB's Health & Safety journey had started from a low point; however, there has been a dramatic change, which makes the organisation a safer place. Professor Gammon agreed that the report demonstrates focus and positive action to improve on what had been a very difficult and different position 18 months prior.</p> <p><i>Mrs Rayani left the Committee meeting.</i></p> <p>The Committee NOTED the content of the Health & Safety Assurance Committee Assurance report, and was ASSURED that HSAC has been operating effectively during 2020/21.</p>	
AC(21)164	<p>Audit Tracker</p> <p>Mrs Charlotte Beare introduced the Audit Tracker report, noting that the format of this has been slightly changed, with an increased focus on data being broken down by service. It is hoped that this will provide useful information. Members heard that since June 2021, 15 reports have been closed or superseded, with 10 new reports received by the UHB. As at 29th July 2021, there are 93 reports currently open. 45 of these reports have recommendations that have exceeded their original completion date; this has decreased from the 60 reports previously reported in June 2021. There is an increase in recommendations where the original implementation date has passed from 93 to 102. The number of recommendations that have gone beyond six months of their original completion date has reduced from 52 to 51 as reported in June 2021. Mr Newman welcomed the useful report and new format, and enquired whether there are any particular areas of concern or services showing a lack of engagement. Mrs Beare responded that this was not the case currently; there are occasional issues caused by timing, with this being a 'rolling' programme. As mentioned earlier, Advisory Reviews do present certain challenges in terms of securing timely management responses and updates.</p>	

	The Committee TOOK ASSURANCE on the rolling programme to collate updates from services on a bi-monthly basis in order to report progress.	
AC(21)165	Counter Fraud Update <i>Ms Rhian Davies joined the Committee meeting.</i> Ms Rhian Davies presented the Counter Fraud Update report, highlighting the 23% compliance rate in the mandatory Counter Fraud e-learning. This is comparable and consistent with other Health Boards. A summer edition of 'The Fraud Reporter' has been issued. There is ongoing work in relation to procurement fraud, with the NHS Counter Fraud Authority conducting a similar exercise to the 'Preventing Procurement Fraud in the NHS' exercise undertaken in 2018/19. The UHB has submitted the required information and will present the findings of this exercise to a future meeting, although results are not expected for some time. Finally, Members heard that Mr Terry Slater has successfully completed his Local Counter Fraud Specialist training. Noting the number of staff who have completed the induction programme, Mr Newman enquired whether this is offered to fixed term employees or restricted to permanent employees only. Mrs Wilson confirmed that all employees complete online induction training. The Committee RECEIVED for information the Counter Fraud Update Report and appended items.	
AC(21)166	National Internal Audit Reports (Limited Assurance) None to report.	
AC(21)167	Audit & Risk Assurance Committee Work Programme 2021/22 The Committee NOTED the ARAC Work Programme.	
AC(21)168	Any Other Business There was no other business reported.	
AC(21)169	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 of concern to the Board. This would include a summary of discussions, together with the following specifically: <ul style="list-style-type: none">• Discussions and concerns relating to the Audit Wales WHSSC Governance Arrangements and associated management/Welsh Government response;• Concerns around recruitment in Radiology, particularly graduate recruitment, and the need for these to be discussed at a higher level.	
AC(21)170	Date and Time of Next Meeting Members were reminded that a number of reports had been deferred to the October 2021 meeting. In view of this, it was agreed that the start	

time would be brought forward from 1.30pm to 1.00pm. Calendar invites would be amended and re-issued accordingly.

1.00pm, 19th October 2021