

Enw'r Pwyllgor: Name of Committee:	Audit and Risk Assurance Committee
Cadeirydd y Pwyllgor: Chair of Committee:	Mr Paul Newman, Independent Member
Cyfnod Adrodd: Reporting Period:	Meeting held on 25 th August 2020
Y Penderfyniadau a'r Materion a Ystyriodd y Pwyllgor: Key Decisions and Matters Considered by the Committee:	
<p>In accordance with the guidance provided in the NHS Wales Audit Committee Handbook, the Board should look to their Audit Committee to review and report on the relevance and rigour of the governance processes in place and the assurances provided to the Board. Hywel Dda University Health Board's Audit and Risk Assurance Committee's (the Committee) primary role is, as such, to ensure the system of assurance is valid and suitable for the Board's requirements and to support the Board by seeking and providing assurance that controls are in place and are working as designed, and to challenge poor sources of assurance.</p> <p>This report summarises the work of the Audit and Risk Assurance Committee at its meeting held on 25th August 2020, in monitoring, reviewing and reporting to the Board on the processes of governance, and facilitating and supporting the attainment of effective processes. At its meeting on 25th August 2020, the Committee critically reviewed governance and assurance processes for a number of service/business areas, with the following highlighted:</p> <ul style="list-style-type: none"> • Matters Arising – the Committee expressed a lack of assurance around progress on Radiology issues and variable pay issues in Pathology; • Targeted Intervention – the Committee was provided with an update from the meeting with Welsh Government (WG) on 23rd July 2020. The tone of the conversation had been different to previous Targeted Intervention meetings, with discussions focusing on the UHB's response to the COVID-19 pandemic, in both primary and secondary care. WG's main concerns centred on forecasting, recognising the challenges faced in this regard. Overall, the meeting had been extremely supportive. • Financial Assurance Report – the Committee received the Financial Assurance report and approved the losses and special payments therein, noting that a scrutiny process is in place for these prior to submission to ARAC. • Post Payment Verification (PPV) End of Year Report - the PPV end of year report was received, with the Committee recognising the need to be more proactive in this area. • Audit Wales Update Report – an update was provided by Audit Wales on Finance and Performance Audit work, with the Committee noting that an extraordinary Board session to consider the Structured Assessment 2020 is planned. • Audit Wales Counter Fraud – the Committee received national and local Audit Wales reports in relation to tackling fraud, noting that in general, findings suggest that Counter Fraud measures within NHS bodies are more developed. The only additional finding highlighted in HDdUHB's local report was in regard to the relatively low numbers of staff 	

receiving counter fraud training, and whether there is scope for this to be made mandatory. It was noted that Integrated Care Fund (ICF) and Transformation Funds are allocated via the Regional Partnership Boards (RPBs), and the need for a cross-organisational approach to ensure robust financial governance queried. Whilst this had not been raised as a specific concern during Audit Wales' review, the issue of broader governance arrangements has been raised with WG, and it is likely that RPBs will be the topic of a future review.

- **Audit Wales Structured Assessment Report and Management Response for Structured Assessment 2019 and Revised Responses to Previous Recommendations that are 'not yet complete'** – an update on progress was presented, with particular reference to the revised performance management framework.
- **Audit Wales ICF Review** – the Committee received an update on the Audit Wales ICF Review, highlighting in particular revenue plans. Financial governance arrangements are in place, which will be reviewed in due course. The need for robust exit strategies for short-term funding such as ICF was noted.
- **Internal Audit (IA) Progress Report** – the IA Progress Report was received, together with proposed amendments to the Plan, which were approved by the Committee. The importance of audits being delivered in accordance with the revised timescales and approved amended plan was emphasised and recognised.
- **Internal Audit (IA)** – the Committee reviewed the following final IA reports:
 - Business Continuity (Reasonable Assurance)
 - Standards of Behaviour (Reasonable Assurance)
 - Environmental Sustainability Reporting (Substantial Assurance)
 - Charitable Funds (Substantial Assurance)

Progress towards recommendations in the Business Continuity IA report was noted, with clarification requested regarding the proportion of the organisation with Business Continuity plans in place. The importance of ensuring that managers and directors appreciate the need for Business Continuity Plans was emphasised.

- **Research & Development Department Governance Review Update** – an update regarding R&D was provided, including their contribution during COVID-19 and plans to appoint a substantive Director of R&D. The Committee noted that initial feedback from the follow-up IA suggests a positive position in comparison to the previous audit.
- **Clinical Audit Update** – the Committee received an update on Clinical Audit, which highlighted the work being undertaken, with recognition that clinical audit staff had been deployed to the COVID-19 Command Centre. It was noted that incident reporting and mortality audits had been continued throughout the pandemic, in surfeit of WG requirements. The Committee agreed that the impact of COVID-19 on clinical audit and potential consequences in terms of quality and safety and patient safety should be highlighted to the Board.
- **Audit Tracker** – the UHB Central Tracker, which tracks progress against audits and inspections undertaken within the UHB, was presented. 27 reports have been closed,

with 16 new reports received. There are currently 124 reports open, with 95 exceeding their completion date, and 202 recommendations, 80 of these now beyond six months.

- **Counter Fraud Update** – an update on Counter Fraud activity to date was received.
- **Audit Committee Work Programme** – The Committee received for information the ARAC work programme for 2020/21.

Materion y Mae Angen Ystyriaeth neu Gymeradwyaeth Lefel y Bwrdd ar eu Cyfer: Matters Requiring Board Level Consideration or Approval:

- **Clinical Audit Update** – to highlight to Board the impact of COVID-19 on clinical audit and potential consequences in terms of quality and safety and patient safety.

Risgiau Allweddol a Materion Pryder: Key Risks and Issues/Matters of Concern:

- A lack of assurance/progress on **Radiology** issues;
 - It was requested that actions and timescales be revisited and an update provided on shift pattern impact on posts for Radiology students.
- A lack of assurance on **Variable Pay in Pathology**;
 - Greater clarity was requested regarding the revised management response, with an assurance that the timescales therein will be met to be provided to the next meeting.
- Concerns regarding delays in resolution of **Post Payment Verification (PPV)** visit issues, the scheduling of revisits and escalation processes;
 - It was agreed that the Director of Finance would enter into discussions with Shared Services;
 - It was agreed that the Director of Primary Care, Community & Long Term Care should attend ARAC for future PPV discussions.

Busnes Cynlluniedig y Pwyllgor ar Gyfer y Cyfnod Adrodd Nesaf: Planned Committee Business for the Next Reporting Period:

Adrodd yn y Dyfodol: Future Reporting:

In addition to the items scheduled to be reviewed as part of the Committee's work programme, following up progress of the various actions identified above will be undertaken.

Dyddiad y Cyfarfod Nesaf: Date of Next Meeting:

20th October 2020