

<b>Enw'r Pwyllgor: Name of Committee:</b>	Audit and Risk Assurance Committee
<b>Cadeirydd y Pwyllgor: Chair of Committee:</b>	Mr Paul Newman, Independent Member
<b>Cyfnod Adrodd: Reporting Period:</b>	Meeting held on 20 <sup>th</sup> October 2020
<b>Y Penderfyniadau a'r Materion a Ystyriodd y Pwyllgor: Key Decisions and Matters Considered by the Committee:</b>	
<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 20<sup>th</sup> October 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 20<sup>th</sup> October 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"> <li>• <b>Matters Arising</b> – there were no matters arising not on the agenda.</li> <li>• <b>Targeted Intervention</b> – the Committee received an update on the Escalation/Targeted Intervention status of the Health Board. The Minister of Health and Social Services has approved the de-escalation of Health Board from 'Targeted Intervention' to 'Enhanced Monitoring' on account of its good performance prior to Covid-19 pandemic and its professional, kind and speedy response during the pandemic. Further reduction in escalation status to 'Routine Monitoring' will be dependent on the Health Board's future financial plans, which are intrinsically linked to successful delivery of the clinical strategy. The Committee will be provided with a six monthly assurance report on the progress of these areas. The restructure of the planning function will be presented to the Remuneration and Terms of Service Committee followed by ratification by the Public Board.</li> <li>• <b>Audit Wales Structured Assessment 2020</b> – the Committee welcomed the Structured Assessment Report 2020 which recognised that good governance had been maintained during the pandemic. Whilst noting there were no formal recommendations, there were a small number of suggested improvements which the Health Board would benefit from taking forward. The Committee requested that the Board are provided with assurance that these are or have been considered and/or implemented.</li> <li>• <b>Internal Audit Advisory Review: Governance Arrangements during the COVID-19 Pandemic</b> – the Committee considered the assurance provided from the advisory report in respect to the governance arrangements established by the Health Board during the first wave of the pandemic, and noted the suggested improvements within the report,</li> </ul>	

requesting that the Board are provided with assurance that they are or have been considered and/or implemented.

- **Financial Assurance Report** – the Committee received the Financial Assurance report and approved the losses and debtors write offs therein, noting that a scrutiny process is in place for these prior to submission to the Committee.
- **Audit Wales (AW) Update Report** – an update was provided by AW on the finance and performance audit work planned for 2020. The Audit Plan remains under review whilst the Health Board responds to the pandemic.
- **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, however the Committee noted that some of the recommendations, which were made pre-pandemic, may no longer be relevant in light of changes that have taken place within the organisation as a result of the pandemic, and agreed they should be reviewed with AW and Executive Leads.
- **Internal Audit (IA) Progress Report** – the IA Progress Report was received. The importance of audits being delivered in accordance with the revised timescales and approved amended plan was emphasised and recognised. The Audit Plan remains under review whilst the Health Board responds to the pandemic.
- **Internal Audit (IA)** – the Committee reviewed the following final IA reports:
  - Core Financial Standards – Accounts Receivable (Reasonable Assurance)
  - Additional Learning Needs and Educational Tribunal (Wales) Act 2018 (Reasonable Assurance)
  - Bronglais General Hospital Directorate Governance Follow-up (Substantial Assurance)
  - Charitable Funds (Substantial Assurance)
  - Research and Development Follow-up (Reasonable Assurance)

Two IA reports were deferred to the next meeting:

- IM&T Control and Assessment
- Information Governance
- **Records Management Follow-up (Limited Assurance)** – the Committee noted that six out of the ten recommendations, some of which were high priority, remained partially or not fully implemented. Whilst work had been commenced by the Health Records modernisation programme, the pandemic had impacted progress. The Committee acknowledged that records management is a complex area which has presented long term challenges that require a large scale programme of work to both address its issues and modernise the processes and systems within the Health Board. Given the ongoing issues and lack of progress, albeit due to the pandemic, the Committee requested that this area was brought to the Board’s attention.
- **Partnership Governance (Integrated Care Fund) (Limited Assurance)** – the report identified some areas of good practice however there were a number of high priority

areas that required strengthening. Whilst there was acceptance of the findings in the report, implementation of the recommendations is not wholly within the gift of the Health Board and it will require commitment from other partners who are members of the RPB to address the issues raised in the report. It was agreed that the report would be presented to the Integrated Executive Group (which reports to the RPB) for discussion in the next few weeks to agree how the recommendations within the report will be addressed, as it is in all partner organisations' interests to ensure there are clear routes of assurance back to each organisation. It was agreed to draw the Board's attention to the limited assurance received in respect of the governance arrangements of the RPB, particularly in light of the levels of funding and schemes they are responsible for.

- **Audit Wales Review of Estates 2016 Update** – the Committee took assurance from the update on progress against the two remaining recommendations from this report.
- **Audit Wales Clinical Coding Follow-up Update** – the Committee took an assurance regarding progress made in relation to the original audit report recommendations, and subsequent actions, following the delayed progress previously noted due to the pandemic response.
- **Audit Wales Review of Operational Quality and Safety Arrangements in Hywel Dda** – the Committee took assurance that the agreed actions against all recommendations have now been implemented although it is likely to take to the end of the financial year to fully embed strengthened arrangements.
- **Internal Audit RCP Medical Records Keeping Standards Update** – the Committee took assurance of the progress made in relation to the original audit report recommendations, and the subsequent actions agreed by the Record Keeping Audit Working Group, following the previously delayed progress due to the pandemic response. A further update on progress was requested for nine to twelve months to obtain assurance that the improved arrangements now in place were embedded across the Health Board and standards were improving.
- **Quality, Safety and Experience Assurance Committee Assurance (QSEAC) Report around the Discharge of their Terms of Reference** – the Committee took assurance that QSEAC has operated effectively during 2019/2020.
- **Scrutiny of Outstanding Improvement Plans** – the Committee agreed to defer their programme of scrutiny of outstanding improvement plans until its February meeting to allow operational services to focus on responding to the increasing COVID and non-COVID activity across its community, primary and acute services.
- **Audit Tracker** – the UHB Central Tracker, which tracks progress against audits and inspections undertaken within the UHB, was presented. 10 reports have been closed, with 8 new reports received. There are currently 124 reports open, with 62 exceeding their completion date, and 149 recommendations, 123 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:**

- The Board are asked to consider the 'limited assurance' rating issued by Internal Audit in respect of the **partnership governance** arrangements and assurance framework in respect of the RPB, and that addressing the findings in the report will require commitment from other partners.
  - It was agreed that the Internal Audit report is presented to the next Integrated Governance Group to agree how the issues in the report can be taken forward.

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

- Concerns in respect to **Records Management**, specifically a lack of progress due to COVID-19 and that this area requires a large scale programme of work to address both its issues and modernise the processes and systems within the Health Board.
  - It was agreed that the Executive Director of Operations provides a brief outline plan in the Table of Actions on how records management can be taken forward.
- Concerns regarding the delays in improving **medical record keeping**. Progress to improve medical record keeping been affected by the pandemic. Systems and processes have been strengthened however will require time to embed.
  - A further update has been requested within the next 9-12 months.

**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:**

15<sup>th</sup> December 2020