

<b>Enw'r Pwyllgor: Name of Committee:</b>	Audit and Risk Assurance Committee (ARAC)
<b>Cadeirydd y Pwyllgor: Chair of Committee:</b>	Mr Paul Newman, Independent Member
<b>Cyfnod Adrodd: Reporting Period:</b>	Meeting held on 19 <sup>th</sup> October 2021
<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 19<sup>th</sup> October 2021, 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 19<sup>th</sup> October 2021, 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>Review of Capital Governance Arrangements</b> – the Committee noted that this review had been completed and received a report detailing its findings and conclusions. The report, and the assurance it provides regarding the processes and systems in place, were welcomed. Concerns were expressed, however, with regards to the organisation's capacity to manage the challenges associated with capital projects. Whilst these issues can potentially be resolved with focus and investment; assurance was requested, particularly in view of the significant future capital projects planned by the UHB. There was a recognition that the planned capital projects will be a major advancement for HDdUHB and that the organisation needs to reflect intensely on how projects on this scale are resourced. The Planning team was encouraged to consider collaboration with University partners to evaluate capital projects and their impact on working practices. The Committee requested that a formal management response to accompany this report be prepared and presented to the next meeting.</li> <li>• <b>Financial Assurance Report</b> – the Committee received the Financial Assurance report, and approved the losses and debtors write offs detailed within the report.</li> <li>• <b>Audit Wales Update Report</b> – an update was provided by Audit Wales on finance and performance audit work planned.</li> <li>• <b>Audit Wales Review: Review of HDdUHB Quality Governance Arrangements</b> – the Committee received a report on this topic, which was welcomed. The need to be mindful of the context within which the organisation has recently been operating had been key in constructing the management response. Due to the impact of COVID-19, certain elements of the UHB's routine systems/processes have been stood down at certain points. There has been, however, a commitment to maintain governance arrangements wherever possible. It was noted that inconsistency exists within the organisation as</li> </ul>	

regards Quality Governance arrangements. The arrangements are most robust at Board and Board Committee level but less so in other parts of the UHB. Meetings are planned with Directorates to review their Risk Registers, to produce a refreshed 'baseline' position. The UHB is also considering a review of its capacity in respect of quality governance. The Committee requested that the management response be revised to include interim milestones, and presented to the next meeting.

- **Clinical Audit Update** – an update report on Clinical Audit was received, which comprised a retrospective summary of the previous two years. Whilst the national Clinical Audit programme had now resumed, Welsh Government remain sensitive to the need for Health Boards to prioritise their pandemic response. There has been an increase in mandatory and local clinical audit compliance rates. The UHB has resumed its local 2021/22 clinical audit programme, whilst recognising pressures on services and their ability to respond/participate. The Clinical Audit team will continue to work with services and awaits further messaging from Welsh Government.
  - **RCP Medical Records Keeping Standards Internal Audit Update** – the Committee received an update on this topic, noting that significant improvement work is required, including a range of actions on each site, together with broader UHB wide actions. COVID-19 pressures have impacted on clinicians' ability to take this work forward; nevertheless, an action plan has been put in place, led by the site Quality Improvement leads. Concern was expressed regarding compliance rates and the limited progress/improvement in this area. It was noted that the Quality Improvement leads had only recently been appointed, and that this is one of their key objectives.
  - **Internal Audit Plan Progress Report** – the Committee received an update on the Internal Audit Plan and approved the required adjustments to the plan.
  - **Internal Audit** – the Committee received the following Internal Audit reports:
    - Discharge Processes Review
    - Women & Child Health Directorate Governance Review (Reasonable Assurance)
    - Medical Staff Recruitment (Reasonable Assurance)
    - Waiting Lists Risk Management (Reasonable Assurance)
    - PPH Directorate Governance Review (Reasonable Assurance)
    - Mental Health & Learning Disabilities Directorate Governance Review (Reasonable Assurance)
    - Annual Recovery Plan and Planning Objectives (Reasonable Assurance)
- The following IA reports were deferred to a future meeting:
- Restart of Elective Work/Planned Recovery
  - Mental Health Patient Administration System
  - Directorate Review: Therapies
  - Corporate Governance
  - Non Clinical Agency Spend
- **Discharge Processes Review** – following discussion of this Internal Audit report, the Committee requested that a formal management response be prepared for the next meeting.

- **Medical Staff Recruitment** – following discussion of this Internal Audit report, the Committee requested that the management response be reviewed/revise and presented to the next meeting.
- **Quality, Safety & Experience Assurance Committee Report around the Discharge of their Terms of Reference** – the Committee received a report detailing Quality, Safety & Experience Assurance Committee (QSEAC) activities during 2020/21 and was assured that the QSEAC is operating in accordance with its Terms of Reference and discharging its duties effectively on behalf of the Board.
- **Audit Tracker** – the UHB Central Tracker, which tracks progress against audits and inspections undertaken within the UHB, was presented. At the time of reporting, there were 95 reports open, 49 of which have recommendations that have exceeded their original completion date; this has increased from the 45 reports previously reported in August 2021. There is a decrease in recommendations where the original implementation date has passed from 102 to 86. The number of recommendations that have gone beyond six months of their original completion date has also reduced from 51 to 44 as reported in August 2021. Five areas of potential concern were detailed in the report, with the Assurance and Risk team actively working with the relevant services/directorates in an attempt to bring these back on track.
- **Planning Objectives Update** – the Committee considered the three Planning Objectives assigned to ARAC, noting that 3F has been completed; 3H has been deferred and is subject to further guidance from the Chief Executive. The Committee agreed that 3B could never be achieved as it relates to a continuous process, and requires review as part of the IMTP process. Members noted that this update will be a standing item on ARAC's agenda going forward.
- **Counter Fraud Update** – an update on counter fraud activity was received.
- **Audit Committee Work Programme** – the Committee received for information the ARAC work programme for 2021/22.

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

None.

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

- The inconsistency of **Quality Governance arrangements** within the UHB.
- Concerns regarding a lack of progress and improvement around **RCP Medical Records Keeping Standards**, the length of time these issues had been ongoing and the potential impact;
  - It was agreed that a further update would be scheduled for April 2022.
- Concerns regarding common themes across **Internal Audit Directorate Governance Reviews** in respect of operational governance relating to quality and safety, financial management, risk management and consistency within the directorate governance arrangements across the UHB;
- Concerns regarding a lack of consistency in respect of ratings/grading within **Internal Audit Directorate Governance Review** reports;
  - It was agreed that Internal Audit would examine this issue further.

- Concerns regarding the **Discharge Processes Review** following the Internal Audit advisory report;
  - The Committee requested that a formal management response be prepared for the next meeting.
- Concerns regarding the processes supporting **Medical Staff Recruitment**;
  - The Committee requested that the management response be reviewed/revised for the next meeting.

**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:**

14<sup>th</sup> December 2021