

Enw'r Pwyllgor: Name of Committee:	Audit and Risk Assurance Committee (ARAC)
Cadeirydd y Pwyllgor: Chair of Committee:	Mr Paul Newman, Independent Member
Cyfnod Adrodd: Reporting Period:	Meeting held on 14 th December 2021
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 14th December 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 14th December 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"> • Table of Actions (Discharge Processes Review) – the Committee received and discussed the requested management response and requested further clarification regarding two aspects, recognising that this would be brought back to the next meeting. • Table of Actions (Medical Staff Recruitment (Reasonable Assurance)) – the Committee received and discussed the amended management response and agreed that the report should be shared with the People, Organisational Development & Culture Committee (PODCC) for ongoing monitoring and review. • Review of Capital Governance Arrangements – the Committee received and reviewed the requested management response. Subject to minor amendments, it was agreed that progress against the action plan would be monitored via the Strategic, Development and Operational Delivery Committee (SDODC), with an update to be scheduled for the February 2022 SDODC meeting. • Annual Review of the Committee's Self-Assessment of Effectiveness - Six Month Review – an update on progress regarding the comments/suggestions fed back during the Self-Assessment exercise was received. • Cost Advisor Review - Establishment of Field Hospitals – the Committee considered a report on this topic, noting that there are a number of cost queries raised with Local Authority partners which remain outstanding. Whilst these costs are not material from an accountancy perspective, and it is intended to seek a satisfactory resolution, the amounts involved are significant. It was noted that further conversations are ongoing with Pembrokeshire County Council and the Committee agreed that concerns in relation to this should be recorded. 	

- **Financial Assurance Report** – the Committee received the Financial Assurance report, noting information regarding the Enhanced Pay Rates Agreement approved by Gold Command Group. There was a lack of clarity around the efficacy of HDdUHB’s actions in attracting staff, although the challenges in assessing this were recognised. It was suggested that an evaluation process may be required. The requested changes to the Scheme of Delegation were approved, recognising these would need to be ratified by the Public Board. The Committee approved the losses and debtors write offs detailed within the report.
- **Audit Wales Update Report** – an update was provided by Audit Wales on finance and performance audit work planned. It was requested that the Mental Health & Learning Disabilities Directorate is considered a priority in terms of the planned Operational Governance reviews.
- **Phase 1 Structured Assessment - Operational Planning** – an update against actions in the management response was received, with positive progress noted.
- **Audit Wales Review: Taking Care of the Carers? How NHS Bodies Supported Staff Wellbeing during the COVID-19 Pandemic** – the Committee received a report on this topic, together with a checklist tool for use within organisations and local management response. Staff wellbeing has also been considered during the Structured Assessment exercise and a positive impression of HDdUHB’s work in this area noted. The report and its recognition of the importance of staff wellbeing was welcomed, and the HDdUHB Workforce and Wellbeing teams were thanked for their efforts.
- **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:
 - Deployment of Welsh Patient Administration System (WPAS) into Mental Health & Learning Disabilities (MHL) (Limited Assurance)
 - Therapies Directorate Governance Review (Reasonable Assurance)
 - Financial Planning, Monitoring and Reporting (Reasonable Assurance)
 - IT Back-Up Arrangements (Substantial Assurance)

The following IA reports were deferred to a future meeting:

- Workforce Planning
 - Non-Clinical Temporary Staff/Agency Spend
 - TriTech
 - Quality & Safety Governance Framework
 - Corporate Governance
 - Performance Reporting and Monitoring
 - Commissioning
 - Records Management
- **Deployment of WPAS into MHL (Limited Assurance)** – during detailed discussion of this Internal Audit report, concerns were expressed regarding its findings and assurance rating. The Committee heard that the previous MHL Patient Administration System had reached its ‘end of life’ and become fragile and the decision had been made to transfer to WPAS. The audit had identified slippage in implementation for various reasons, together with a number of other issues including: lack of an internal business case; failure to

update the Project Initiation Document (PID); risks not subjected to continued monitoring and review; incomplete gap analysis; project group not meeting regularly. These had been compounded by insufficient resource allocation and a failure to conduct a formal post-implementation review. Whilst recognising that WPAS is now operational within MHLD and assurances regarding commitment and 'ownership' within the Directorate, the Committee requested that various actions be undertaken prior to the next meeting, with the concerns being raised to the Board's attention.

- **Therapies Directorate Governance Review (Reasonable Assurance)** – during discussion of this Internal Audit report, the Committee took implied assurance regarding actions to address its findings, noted that the audit recommendations will be added to and monitored via the Audit Tracker, and that an update will be conducted prior to year-end to ensure that the recommendations have been embedded.
- **Financial Planning, Monitoring and Reporting (Reasonable Assurance)** – following discussion of this Internal Audit report, it was agreed that (in addition to monitoring via the Audit Tracker) the report would be shared with and followed up by the Sustainable Resources Committee.
- **IT Back-Up Arrangements (Substantial Assurance)** – during discussion of this Internal Audit report, the Committee noted that the UHB's back-up solution had recently been replaced and heard that the audit had identified numerous examples of good practice, modern processes and secure and safe procedures. The report was welcomed and the Digital team was congratulated for resolving this long-standing issue.
- **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 93 reports currently open. 39 of these reports have recommendations that have exceeded their original completion date, which has decreased from the 49 reports previously reported in October 2021. There is an increase in recommendations where the original implementation date has passed from 86 to 101. The number of recommendations that have gone beyond six months of their original completion date has slightly reduced from 44 to 41 as reported in October 2021.
- **Planning Objectives Update** – the Committee considered the three Planning Objectives assigned to ARAC, noting that the Board Secretary has written formally to the Chief Executive and Director of Strategic Development & Operational Planning to request that Planning Objective 3B is reconsidered/closed, on the basis that this represents 'business as usual'.
- **Counter Fraud Update** – an update on counter fraud activity was received.
- **National Reports** – the Committee received for information a number of national Internal Audit and Audit Wales reports, WHSSC Joint Committee/CTMUHB Audit & Risk Committee Assurance Report and HIW Update regarding Approach to Quality Checks and On-site Inspections.
- **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:**

- Changes to the Financial Scheme of Delegation, detailed within the Financial Report (agenda item 4.4).
- In respect of the **Cost Advisor Review - Establishment of Field Hospitals**, concerns regarding the lack of satisfactory response by Pembrokeshire County Council to cost queries;
 - It was agreed that this issue would be highlighted to the Board;
 - Director of Finance to continue to work with Local Authority partners to seek resolution to outstanding queries.
- Concerns regarding the findings and assurance rating of the **Deployment of WPAS into MHLD** Internal Audit report;
It was agreed that:
 - The Internal Audit team would reflect on the Committee's comments and reconsider the assurance rating awarded;
 - A further update would be presented to the next meeting, with a representative from the MHLD Directorate invited to attend;
 - The management response would be amended;
 - The contents of the report and the Committee's concerns would be highlighted to Board.

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

- The findings of the **Therapies Directorate Governance** Internal Audit review;
 - Recommendations will be followed up.

**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:

22nd February 2022