

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 10 th June 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 10th June 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 10th June 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"> • IA Progress Report – the Committee received an Audit & Assurance Services report, which confirmed delivery of the remaining four Internal Audit reports from the 2020/21 Internal Audit Plan and that all audits within the Plan had been completed. • Internal Audit – the Committee received the following Internal Audit reports: <ul style="list-style-type: none"> ○ Withybush General Hospital Wards 9 & 10 Lessons Learnt (Advisory Review) ○ COVID-19 Governance Update (Advisory Review) ○ Brexit Risks and Actions (Advisory Review) ○ Local Deployment of the Welsh Immunisation System (WIS) (Reasonable Assurance) • Withybush General Hospital Wards 9 & 10 Lessons Learnt (Advisory Review) – a report detailing the findings of this Internal Audit was received. This was an advisory review, which had originated from the Capital, Estates and IM&T Sub-Committee (CEIM&TSC). It had focused on an overspend on this project, stemming from unforeseen work and underfunding of certain areas. The Estates directorate had also undertaken their own internal review; following which, changes to reporting formats had been introduced, together with formalised internal management meetings. A Post Project Evaluation (PPE) is planned for early next year. It was noted that a number of the findings/recommendations, particularly in relation to PPEs, appear similar to those in previous reports. Concern was also expressed in relation to the findings around additional costs relating to water, asbestos and legionella works, with it suggested that these were issues which had been identified on a generic basis several years earlier and that there should have been a more accurate baseline assessment of costs. It was observed that there were a number of similarities with the Women & Children's Phase 2 project, including deficiencies in completion of returns and in providing responses to Welsh Government. Concern was also expressed regarding the use of verbal authority/verbal amendments to contracts, with it suggested that this should not be regarded as acceptable. A requirement for amendment in writing would allow proper consideration 	

and contemplation of the requested changes and this should be in accordance with the scheme of delegation.

The Committee did not receive assurance from the report that the necessary improvements had been made, and it was suggested that holding a PPE in January 2022 was too long after the scheme. The need for evaluation sooner rather than later was emphasised, to ensure that the same issues are not repeated going forward. It was felt that an exercise to examine the lessons learned could take place during projects, with a PPE once the facility opens. This should apply equally to the various other capital schemes coming on track in the near future. Referencing the fact that similar findings have recently been noted in two capital projects, the Director of Operations agreed to consider whether evaluations for the two projects could be merged, in order to reflect on common themes. Given the significant concerns regarding Capital Governance arrangements, Members were advised that the Board has requested the Director of Strategic Development & Operational Planning undertake a full review of this area and present a report to the August 2021 ARAC meeting. It was recognised that there needs to be a consistent approach across the organisation, with a framework developed for consideration by Board. This applies to all projects, be they digital, service transformation or capital/estates. It was agreed that the Committee's concerns around lack of assurance regarding lessons learned should be highlighted to the Board.

- **Local Deployment of the Welsh Immunisation System (WIS) (Reasonable Assurance)** – a report detailing the findings of this Internal Audit was received. The audit had focused on local implementation of this national system, deployed at pace, during a challenging time, and had returned a Reasonable Assurance rating. The auditors had received positive feedback from Digital Health & Care Wales (DHCW) with regards to HDdUHB's engagement during the WIS deployment. The implementation of WIS is a significant achievement, and a testament to the team involved, and welcomed DHCW's feedback. Members heard that WIS is viewed as a sound basis for an All Wales system of this type and is anticipated to remain in use for COVID-19 'booster' vaccinations and possibly 'flu vaccinations. It may also be expanded to include childhood immunisations, with any single system expected to include the improvements made to WIS during its existence. The need to learn from the pace of and approach to WIS deployment, and how this might be applied to other digital programmes going forward, was emphasised.
- **Head of Internal Audit Opinion & Annual Report 2020/21** – the Committee received the Head of Internal Audit Opinion & Annual Report 2020/21, noting the Reasonable Assurance rating.
- **Overview and Performance Report (Section of HDdUHB Annual Report)** – the Committee approved the Performance Report chapter of the 2020/21 Annual Report for onward ratification by Board.
- **Accountability Report** – the Committee approved the content of the Accountability Report, as a source of assurance to the Board that a robust governance process was enacted during the year, and recommended its subsequent approval to the Board.
- **Audit Wales Audit of Accounts Report - Hywel Dda University Health Board 2020/21** – the Committee noted the Audit of Accounts Report - Hywel Dda UHB 2020/21 (ISA 260) and Letter of Representation, and requested that the recommendations made in the ISA 260 report be incorporated within the Audit Tracker.

- **Final Accounts for 2020/21** – the Committee approved the Final Accounts for 2020/21 for onward ratification by the Board.

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

- **Year End Documentation** – all documentation relating to year end was approved for onward ratification by the Board at its meeting on 10th June 2021.

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

- **Withybush General Hospital Wards 9 & 10** – the lack of assurance regarding lessons learned.
 - It was agreed that this matter should be highlighted to the Board

**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 June 2021

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 22 nd June 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 22nd June 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 22nd June 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"> • Annual Review of the Committee's Self-Assessment of Effectiveness – the Committee received a report analysing the findings of this exercise, took assurance that the actions described will be taken forward as part of wider governance review and agreed that a review of progress should take place in six months. It was noted that there will be a future requirement for Committee Assurance Reports to ARAC to include a section on how they have addressed learning from their Self-Assessment; as well as how they have met their Terms of Reference. • Report on the Adequacy of Arrangements for Declaring, Registering and Handling Interests, Gifts, Hospitality, Honoraria and Sponsorship – the Committee reviewed the adequacy of the arrangements in place for declaring, registering and handling interests, gifts, hospitality, sponsorship and honoraria during 2020/21, and noted the proposed actions for 2021/22 to promote and improve the adequacy of these arrangements, for onward assurance to the Board. • Financial Assurance Report – the Committee received the Financial Assurance report, and 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. • Audit Wales Structured Assessment 2021: Phase 1 Operational Planning Arrangements – the Committee received a report on this topic, which reflects a new approach to Structured Assessment, with the process divided into various modules. Members heard that the report has been considered and discussed in detail. All findings and recommendations are acknowledged and accepted, and it will be vital to address 	

each, together with the broader issues around planning. A management response would be presented to the next meeting.

- **Audit Wales Review: COVID-19 Vaccination Roll-out** – the Committee received a national report on this topic, which recognises the significant progress made by Health Boards and also considers the challenges and opportunities going forwards. The comprehensive, well-written and positive report, together with the opportunities for improvement and learning it identifies, were welcomed. Those involved with delivering the COVID-19 Vaccination Programme were thanked for their significant contribution.
- **Audit Wales Review: Procuring and Supplying PPE for the COVID-19 Pandemic** – the Committee received a national report on this topic, which is broadly positive, and identifies various examples of learning which should be applied going forward. Whilst the report was welcomed, it was suggested that its scope is quite narrow, focusing only on the procurement and supply of PPE and not considering its quality. High stock levels are meaningless if PPE is not of appropriate quality and does not meet requirements and infection control standards. Concerns were also expressed regarding the frequency and pace at which national guidance PPE had changed, the challenges in responding to these changes, and the impact on staff confidence.
- **Internal Audit Plan Progress Report** – the Committee received an update on the Internal Audit Plan.
- **People, Planning & Performance Assurance Committee Report around the Discharge of their Terms of Reference** – the Committee received a report detailing People, Planning & Performance Assurance Committee (PPPAC) activities during 2020/21 and was assured that the PPPAC 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 99 reports currently open, 60 of which have recommendations that have exceeded their original completion date, this has increased from 48 previously reported in April 2021. This is partly due to the timing of the service schedule and a number of recommendations becoming overdue in April 2021. There is an increase in recommendations where the original implementation date has passed from 84 to 93, and where recommendations have gone beyond six months of their original completion date from 51 to 52 as reported in April 2021. Members were assured that all outstanding recommendations are regularly followed-up with services.
- **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 2021/22.

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

- **Declaring, Registering and Handling Interests, Gifts, Hospitality, Honoraria and Sponsorship** – to note that the Committee reviewed the adequacy of the arrangements currently in place and noted the proposed actions for 2021/22 to promote and improve the adequacy of these arrangements.

Risgiau Allweddol a Materion Pryder: Key Risks and Issues/Matters of Concern:
None
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:
24 th August 2021