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Bwrdd Iechyd Prifysgol
Aneurin Bevan
University Health Board

**CYFARFOD BWRDD IECHYD PRIFYSGOLN ANEURIN
BEVAN/ANEURIN BEVAN UNIVERSITY HEALTH BOARD
MEETING**

**MINUTES OF THE AUDIT, RISK AND ASSURANCE
COMMITTEE ANEURIN BEVAN UNIVERSITY HEALTH BOARD MEETING**

DATE OF MEETING	Thursday 8 th February 2024
VENUE	Microsoft Teams

PRESENT	<p>Iwan Jones - Independent Member, Committee Chair Richard Clark- Independent Member, Committee Vice Chair <i>(left at 10:00)</i> Shelley Bosson - Independent Member</p>
IN ATTENDANCE	<p>Rani Dash - Director of Corporate Governance Lucy Windsor – Head of Corporate Risk and Assurance Rob Holcombe - Director of Finance and Procurement Nicola Prydgodzicz – Chief Executive, ABUHB <i>(Left at 09:56 joined 10:30)</i></p> <p>Michelle Morris – Head of Counter Fraud <i>(Left at 10:00)</i> Stephen Chaney – Deputy Head of Internal Audit Nathan Couch – Audit Wales Mark Ross – Assistant Finance Director Andrew Doughton – Audit Wales Leanne Lewis – Assistant Director Quality and Patient Safety <i>(Joined at 10:00 left at 10:10)</i></p> <p>Sarah Simmonds – Executive Director Workforce and OD <i>(Joined 11:25 Left 11:35)</i></p> <p>Peter Carr – Executive Director of Therapies and Health Science <i>(Joined 10:35 Left 11:07)</i></p> <p>Leanne Watkins – Chief Operating Officer <i>(Joined 09:53 left at 11:06)</i></p> <p>Jamie Marchant – Divisional Director Facilities <i>(Joined 10:15)</i> Laura Howells – Auditor, Internal Audit Huw Richards – Auditor, Internal Audit David Butler – Auditor, Internal Audit <i>(Left 11:00)</i> Richard Harries – Audit Wales David Murphy – Audit Wales <i>(Joined 10:35)</i> Lloyd Hambridge – Divisional Director Primary Care <i>(Joined 11:00 Left at 11:25)</i> Danielle Jackson – Secretariat</p>
Apologies	None received



ARAC 0802/1	Preliminary Matters
ARAC 0802/1.1	Welcome and Introductions The Chair welcomed everyone to the meeting.
ARAC 0802/1.2	Apologies for Absence There were no apologies of absence noted
ARAC 0802/1.3	Declarations of Interest There were no declarations of interest raised to record.
ARAC 0802/1.4	Minutes of the previous meeting The minutes of the meeting held on the 23 rd November 2023 were agreed as a true and accurate record.
ARAC 0802/1.5	Committee Action Log The Committee reviewed the action log, noting actions completed, actions in progress, and actions that were not yet due.
ARAC 0802/2	Items for Approval / Ratification/ Decision
ARAC 0802/2.1	<p>To Endorse the change to the Risk Appetite Statement Rani Dash (RD), Director of Corporate Governance, Provided the Committee with a summary of the proposed changes to the Risk Appetite Statement.</p> <p>The committee were informed that the Board approved the Risk Management Framework on the 25 January 2024, it was requested that the Risk Appetite Statement be updated to remove the word "reputation" in relation to the Confidence and Trust theme to avoid misinterpretation. <i>"The Health Board's natural position is to not tolerate risks that breakdown or impact confidence & trust. However, building on and maintaining the confidence and trust of all stakeholders, including staff is vital, so to highlight both the complexity and importance of transparency, the Health Board shall be cautious to any risk or opportunity that may influence that confidence and/or trust."</i></p> <p>The Committee NOTED the report and ENDORSED the amended description for the risk theme of Confidence and Trust</p>
ARAC 0802/2.2	<p>To Approve the Report on the use of Single Tender Action Mark Ross (MR), Assistant Finance Director, provided the Committee with a summary on Single Tender Action Waivers – 11 November 2023 – 19 January 2024.</p> <p>The Single Tender Action (STA) schedule contained a summary of the two STA requests that had been submitted and approved to a total value of £123,262.22.</p>



- Community Transport Association
- Care-Com Systems

Iwan Jones (IJ), Committee Chair, inquired as to whether any due diligence takes place to review how money is spent by contractors. Robert Holcombe (RH), Director of Finance and Procurement confirmed that it would be expected for the management team commissioning the service to monitor the contract terms and organisational arrangements. RH agreed to look further into the due diligence process followed specifically for the Community Transport Association STA and bring provide a short paper back to committee for assurance.

Action: Director of Finance and Procurement.

The Committee **NOTED** the report.

ARAC 0802/2.3

Ratification of Financial Governance, Reporting and Control Procedures.

Mark Ross (MR), Assistant Finance Director, provided the Committee with a summary of financial governance, reporting and controls.

There were two financial control procedures presented that required approval.

- Petty Cash
- Petty Cash – Mental Health

Shelly Bosson (SB), Independent Member, queried the use of petty cash, due to modernisation and the lack of physical cash used in many places. Iwan Jones (IJ), Committee chair, supported this by raising the question of whether Petty Cash is still a requirement. Robert Holcombe (RH), Director of Finance and Procurement advised that petty cash arrangements are being cut down in line with modernisation, however, there is at present a requirement to keep an element of cash due to the general public using cash in certain circumstances; for example, situations in which reimbursements to patients are required instantly meaning cash is the most suitable method.

It was noted that the NHS Public sector payment remained in a good position, albeit just below the 95% target; the non-NHS payment remained in a positive position, above 95%.

The Committee **APPROVED** both financial control procedures and noted the contents of the report for Assurance.

ARAC 0802/3

Items for Discussion



ARAC 0802/3.1

To Receive Counter Fraud Report

Michelle Morris (MM), Head of Counter Fraud, provided the Committee with an overview of the Quarter 3 2023/24 Counter Fraud Report.

The Committee was informed that there were three scheduled risk assessments to take place throughout the next quarter; Petty Cash, Omnicell storage of WP10s and Staff Banking.

Shelley Bosson (SB), Independent Member, inquired when the ESR Counter Fraud E-Learning training was expected to go live, Michelle Morris (MM) confirmed that a meeting is scheduled to determine a date.

SB, inquired why the E-System "Self-Care" is taking such a long time to be introduced. MM, advised that it was due to the volume of data that was required transferring prior to the system being fully implemented.

Iwan Jones (IJ), Committee Chair, asked if there was a possibility of displaying numerically how many staff should have completed mandatory training to compare to how many had. MM, agreed to explore what data was available in ESR to inform future reporting. ACTION: Head of Counter Fraud

The Committee **NOTED** the contents of the report for assurance.

ARAC 0802/3.2

To Receive an update on Clinical Audit Activity 2023/24

Leeanne Lewis, Assistant Director Patient Quality and Safety, Provided the Committee with an overview of the 23/24 Clinical Activity report.

The Committee was informed that the updated Clinical Audit Plan for 2024/25 and Clinical Activity Report for 2023/24, would be ratified at PQSOC in April 2024.

It was noted that a standardised audit report had been developed., The Audit Management and Tracking (AMAT) plan had been fully implemented and AMAT was also being utilised to record all local audits.

It was confirmed that full responsibility for Clinical Audit would be transferred to the People, Quality and Safety Committee after April 2024.

The Committee **NOTED** the contents of the report.



<p>ARAC 0802/3.3</p>	<p>To Receive the 2023/24 Committee Programme of Business and update on the development of the 2024/25 Programme of Business.</p> <p>Rani Dash (RD), Director of Corporate Governance, advised that the 2024/25 Committee Programme of Business was under development. A strengthened process had been implemented to ensure clear alignment to the Committee’s Terms of Reference, outcomes of Committee self-assessments and ensure all assurance requirements were considered and included.</p> <p>The Committee NOTED the Committee Programme of Business.</p>
<p>ARAC 0802/3.4</p>	<p>Review Internal and External Audit Recommendations Tracking</p> <p>Rani Dash (RD), Director of Corporate Governance, provided the Committee with a summary of the Internal and External Audit Recommendation Tracker and requested that the Committee approve the 31 recommendations that had proposed revised timescales, 30 completed, leaving a residual position of 12 overdue recommendations.</p> <p>Peter Carr (PC), Director of Therapies and Health Sciences, Provided the committee with an assurance update on the 2017 Medical Equipment Devices Recommendation as requested at the previous Audit, Risk and Assurance Committee Meeting. An extension to the agreed deadline was requested to allow the recommendation to be fully implemented.</p> <p>Richard Clark (RC), Independent member, left meeting at 10:00am, as this item required approval of the closing position of audit recommendations and the meeting was not quorate, electronic approval was sought and received.</p> <p>The Committee NOTED the report and APPROVED the 31 revised timescale requests and 30 completed recommendations.</p>
<p>ARAC 0802/3.5</p>	<p>To Receive Internal Audit Progress Report</p> <p>Stephen Chaney (SC), Deputy Head of Internal Audit, provided a summary of the Internal Audit Progress Report to the Committee.</p> <p>It was requested to defer the 2023/24 Maternity Action Plan Audit to 2024/25, to enable embedding of updated processes following consolidation of all actions relating to maternity from various internal and external audits.</p> <p>Shelley Bosson (SB), Independent Member, raised concerns surrounding the delay of the Maternity Action Audit due to possible risks which was supported by the Committee Chair. SC</p>



acknowledged the possible risks of delaying the audit and recommended that the audit not be deferred.

It was noted that the 2024/25 audit plan was in the process of being developed, a number of key areas had been highlighted that require focus. The draft plan would be shared with the Committee at its next meeting.

SC requested the views of the Committees in respect of including a whistleblowing audit in the 2024/25 plan. The Committee supported inclusion of a Whistleblowing Audit

The Committee **NOTED** the Report and rejected the request to the amendment to the 2023/24 Internal Audit Plan.

ARAC 0802/3.6

To Receive Internal Audit Reports

Stephen Chaney (SC) - Deputy Head of Internal Audit, provided the Committee with a summary of the following two limited and two reasonable assurance reports with the support of the Lead Executive and capital audit.

- Facilities – Limited Assurance
- Estates Condition – Limited Assurance
- Data Quality – Reasonable Assurance
- IT Stakeholder Engagement – Reasonable Assurance

Facilities

The Committee was informed that the audit was completed at the request of facilities management following two identified areas of concern, the bank process for facilities staff and the management of stock.

The main areas of concern highlighted following the audit related to the management of stock process.

Iwan Jones (IJ), Committee Chair, requested further detail around the stock review trend, SC confirmed that recommendations highlighted in previous reviews needed to be implemented to identify any trends. A decision to complete a full review at a later date was agreed.

IJ, inquired whether enough time had been allocated to complete the recommendations.

Jamie Marchant (JM), Divisional Director Facilities, reassured the committee that the team remain committed to complete recommendations within the timescales provided.



IJ requested a date to be provided for recommendation Management response to "8.1 Continue to monitor Bank Shift Booking Reports and address issues in accordance with Health Board policy".

ACTION: Divisional Director Facilities

Estates Condition

Huw Richards – Auditor, Internal Audit informed the Committee that the estates condition audit had taken place across all NHS organisations within Wales, following completion an overall summary report would be shared with Health Boards and Welsh Government.

Shelley Bosson (SB), Independent Member, raised concerns regarding plans to address issues highlighted considering the significant cost involved.

Nicola Prydgodzicz (NP, Chief Executive, confirmed that discretionary funding of £2 million, which was cut had since been reinstated. Work was ongoing to develop clearer future plans and to determine areas of prioritisation.

SB inquired about the source of funds for addressing the backlog prior to the handover of PFI buildings. Robert Holcombe (RH), Director of Finance and Procurement, confirmed that the cost would be taken from capital funds.

Data Quality

IJ, queried the extensive timeline agreed to produce and implement a procedure. SC) confirmed that due to volume of data it is likely to be a time extensive process.

IT Stakeholder Engagement

The Committee noted the contents of the audit report.

The Committee **NOTED** the audit reports for assurance.

ARAC 0802/3.7

To Receive External Audit Progress Report 2023/24

Nathan Couch (NC), Audit Wales, provided the Committee with a summary of the External Audit Progress Report.

It was reported that the Audit of Accounts 2022/23 and Charitable funds work had been completed and reported to the relevant committees.



	<p>Richard Harries (RH), Auditor Internal Audit, informed that the deadline of accounts had been brought forward to the 15th July from the 31st July which had been agreed by Welsh Government. It was noted that the 2024/25 timetable plan would be presented to the Committee at its meeting in April 2024.</p> <p>The Committee NOTED the Report and change to the audit of accounts schedule.</p>
<p>ARAC 0802/3.8</p>	<p>To Receive the External Audit Annual Audit Report Nathan Couch (NC), Audit Wales, Provided the Committee with a summary of the External Audit Annual Report.</p> <p>The Committee was informed that considering the financial challenges across NHS Wales it was decided to focus on financial savings and cost improvement plans, it was anticipated that the report would be finalised in April 2024.</p> <p>The Review of unscheduled care arrangements report was anticipated as being to be completed and published March 2024. The review of Quality Governance and planned care remained in the scoping stage.</p> <p>The Committee NOTED the Report.</p>
<p>ARAC 0802/3.9</p>	<p>To Receive the Audit Wales Primary Care Follow-up Report Andrew Doughton (AD) Performance Audit Manager, Audit Wales provided the Committee with a summary of the Primary Care Follow-up Report with the support of Lloyd Hambridge (LH), Primary Care Divisional Director.</p> <p>It was noted that the purpose of the audit was a follow up review of the Primary Care Review undertaken in 2019.</p> <p>Robert Holcombe (RH), Director of Finance and Procurement, raised concerns as the financial resource recommendations contained throughout the report he had not been sighted on and stated that there had been no engagement with the finance team. RH requested to revisit the report before being approved by the Committee.</p> <p>ACTION: Director of Finance and Procurement and Audit Wales.</p> <p>Iwan Jones (IJ), Committee Chair, requested that following the engagement with Finance and any amendments be bought back to the Committee for oversight</p> <p>ACTION: Secretariat</p>



	<p>Shelley Bosson (SB), Independent Member, asked if there was a plan in place to incorporate a strategic risk relating to Primary Care as recommended within the report. Rani Dash (RD), Director of Corporate Governance reassured the Committee that work was underway to develop a Corporate Risk Register and meetings were scheduled with Executive Directors to identify all corporate risks and ensure all strategic risks were recorded in the Strategic Risk Register.</p> <p>ACTION: Head of Risk and Assurance</p> <p>The Committee NOTED the Report.</p>
<p>ARAC 0802/3.10</p>	<p>To Receive the Workforce Planning Report</p> <p>David Murphy (DM), Audit Wales, Provided the Committee with a summary of the Workforce Planning Report with the support of the Lead Executive.</p> <p>Sarah Simmonds (SS), Director of Workforce and Organisational Development reassured the Committee that work to complete recommendations was ongoing noting that the report and progress update was scheduled for the People and Culture Committee on the 22nd of February.</p> <p>Shelley Bosson (SB), Independent member inquired as to whether the date for recommendation 2 had been determined, SS, confirmed that this had not yet been established and would be presented to the Executive Committee by the end of February 2024.</p> <p>The Committee NOTED the Report.</p>
<p>ARAC 0802/3.11</p>	<p>To Receive the Final Structured Assessment Report 2023</p> <p>The Committee NOTED the Report for information which was received at the Committee’s last meeting in November and at the Board meeting in January.</p>
<p>ARAC 0802/3.12</p>	<p>To Review Standing Orders (SOs), Standing Financial Instructions (SFIs) and Scheme of Delegation (SofD)</p> <p>Rani Dash (RD), Director of Corporate Governance, presented the Committee with a summary of the Standing Orders (SOs), Standing Financial Instructions (SFIs) and Scheme of delegation report.</p> <p>The Committee was informed that an annual review of SOs, SFIs, and SofDs was required, which was completed and approved by the Board at its meeting in September 2023.</p>



	<p>Shelly Bosson (SB), Independent Member asked whether DBS checks were a requirement and how they were completed and maintained. RD confirmed that pre-employment checks were conducted by Shared Services. RD agreed to confirm onboarding arrangements and report back to the Committee.</p> <p>ACTION: Executive Director of Corporate Governance</p> <p>The Committee NOTED the Report and actions required to address areas of non-compliance.</p>
<p>ARAC 0802/3.13</p>	<p>To Review the adequacy of arrangements for declaring, registering and handling interests</p> <p>Rani Dash (RD), Director of Corporate Governance, Presented the Committee with an overview of the Declarations of Interest, Register of Gifts and Hospitality Report as at 16th January 2024.</p> <p>The Committee was informed that work was underway to improve and update the policy. The review included discussions with other Health Boards to ensure consistency.</p> <p>The Committee NOTED the Report.</p>
<p>ARAC 0802/3.14</p>	<p>To Receive the Committee Risk and Assurance Report</p> <p>Rani Dash (RD), Director of Corporate Governance, Presented the Committee with an overview of the Risk and Assurance Report.</p> <p>Shelley Bosson (SB), an Independent Member, questioned the assurance rating process, how it was determined, and whether it determined if risks were being tolerated or managed to an appetite/target level. SB used SRR 002 - <i>"There is a risk that there will be a significant failure of the Health Boards Estate, due to significant levels of backlog maintenance and structural impairment"</i> as an example and was not convinced that the overall assessment rating was consistent with the controls, assurances, and current risk score to determine an overall reasonable assurance rating. RD confirmed that this was new approach to reporting risks that was still being developed and stated that the assurance assessment sought to determine the effectiveness of the controls and what additional measures were required. RD would discuss with the Head of Corporate Risk and Assurance how future reports could demonstrate whether risks were being tolerated or mitigated.</p> <p>The Committee NOTED the Report.</p>
<p>ARAC 0802/4</p>	<p>Items for Information</p>
<p>ARAC 0802/4.1</p>	<p>Stakeholder Perception Research Project Report</p>



	<p>Richard Harries (RH), Audit Wales, presented the Committee with a summary of the Stakeholder Perception Research Project Report for awareness.</p> <p>Iwan Jones (IJ), Committee Chair, inquired about the action plan in place to ensure the recommendations highlighted were being addressed. RH, agreed to discuss with the chair what was expected and how the Committee would like to see the report for the next meeting.</p> <p>ACTION: Committee Chair and Audit Wales</p> <p>The Committee NOTED the Report.</p>
ARAC 2811/5	Other Matters
ARAC 2811/5.1	<p>Items to be Brought to the Attention of the Board and Other Committees</p> <p>It was noted that a more comprehensive overview of the audit recommendation position would be provided to the board within the summary report.</p>
ARAC 2811/5.2	<p>Any Other Urgent Business</p> <p>No items for any other business.</p>
ARAC 2811/5.3	<p>Date of the next meeting;</p> <ul style="list-style-type: none"> • Tuesday 16th April 2024 at 13:30