

## ANEURIN BEVAN UNIVERSITY HEALTH BOARD

### Minutes of the Audit Committee held on Thursday 4<sup>th</sup> February at 1.00pm via Teams

#### Present:

Shelley Bosson	- Independent Member (Chair)
Cllr Richard Clark	- Independent Member (Local Authority)
Emrys Elias	- Vice Chair

#### In Attendance:

Judith Paget	- Chief Executive
Ann Lloyd	- Chair
Glyn Jones	- Director of Finance and Performance
James Quance	- Head of Internal Audit
Mark Ross	- Assistant Director of Finance
Gabrielle Smith	- Audit Wales
Chris Koehli	- Special Advisor (Finance)
Katija Dew	- Independent Member (Third Sector)
Stephen Chaney	- Deputy Head of Internal Audit
Richard Howells	- Interim Board Secretary
Martyn Edwards	- Head of Counter Fraud (Finance)
James Calvert	- Medical Director
Danielle O'Leary	- Head of Corporate Services, Risk & Assurance
Linda Alexander	- Assistant Director of Nursing
Helen Sweetland	- Independent Member (University)
Tracey Veale	- Audit Wales
Emma Guscott	- Committee Secretariat

**Apologies:** N/A

#### **AC 0402/01 Welcome and Introductions and Apologies for Absence**

The Chair welcomed everyone to the meeting.

No apologies for absence were noted.

#### **AC 0402/02 Declarations of Interest**

There were no Declarations of Interest to record.

**AC 0402/03 Minutes of the Meeting held on 3rd December 2020**

The minutes of the meeting held on 3<sup>rd</sup> December 2020 were agreed as accurate, subject to the following amendments of minutes highlighted from 22<sup>nd</sup> October 2020:

**AC 2210/11: Internal Audit Governance Review for COVID-19 Pandemic and Action Plan:**

*The only outstanding recommendation related to the availability of malware/software for people using their own devices at home.* It was noted that a further update had been requested from ICT however, it was understood that most permanent employees would *not* be using their own equipment. **Action: Secretariat.**

The Chair confirmed that progress on specific service efficiencies would be included as a standing item on the agenda for future meetings. **Action: Secretariat.**

**AC 0402/04**

**Action Log:**

**AC 0312/06:**

**Disaster Recovery Plans:** The Board Secretary provided an update on the previous logged Action and had liaised with the Head of ICT services. This would be discussed as part of the Audit Tracker item.

**Individual and Team Job Plans:** The Medical Director provided an update on the current position.

It was acknowledged that the current position was unacceptable as the Health Board was not where it needed to be and the Medical Director welcomed the opportunity to undertake further reviewing of the job planning processes.

The Medical Director highlighted that;

- Due to the current pandemic position, the Health Board suspended Supporting Professional Activity (SPA) plans as all job plans had been subject to change.
- The Job Plan should be an accurate reflection of the work being undertaken in order to provide assurance that organisational objectives were being met.
- The Job Plan should be the main tool for managing the medical workforce.
- The Medical Director planned to meet with colleagues next week to reframe discussions with consultants

regarding job planning and how the new healthcare system should work to ensure the system was optimised.

- At the time of discussion, there was no standardised SPA time across all specialties. This was being reviewed alongside medical workforce colleagues.

The Vice Chair queried if the future job planning for medical colleagues would be different. The Medical Director confirmed that the Wales NHS Medical Directors were collaborating and considered Team Job Planning as the most appropriate way to ensure fairness and transparency for all doctors.

The Special advisor for Finance asked how job planning could be utilised to deliver the new models of care. The Medical Director stated that he had discussions with the Chief Executive about a potential review of the divisional structures and it was noted that this was an opportunity to create models of care that transcend the parameters of Primary and Secondary care.

The Chair requested a further update from the Medical Director on progress to be provided to the July Audit Committee. **Action: Medical Director/secretariat.**

## **AC 0402/05**

### **Counter Fraud Update:**

The Head of Counter Fraud provided an update to the committee. The report referred to the National Fraud Initiative (NFI). The Committee was advised that approximately 5000 data matches had been returned from the NFI and work would commence on scrutinising the data immediately.

The Committee was advised that some delays had occurred in relation to the taping of interview under caution because of COVID restrictions. However, assurance was provided that anyone with criminal liability would be held accountable.

Independent Member from the Third Sector raised a query in relation to investigation delays due to COVID, if there were potential financial implications and how these were monitored. The Head of Counter Fraud reported that in cases where fraud was identified, interim action was taken to ensure any financial payments ceased whilst investigations were ongoing.

The Special Advisor for Finance asked about the position on completing criminal investigations before completion of internal disciplinary investigations and the potential implications of this. The Head of Counter Fraud stated that a protocol was in place with operational workforce and under normal circumstances Counter Fraud would conduct an interview as part of the criminal process and to inform the disciplinary process.

The Special Advisor for finance asked the following questions:

1. Was there a way that the Health Board could expedite the amount of time and resources used by the finance team when dealing with the NFI?
2. Are the current working arrangements reducing the volume of referrals to the Counter Fraud Team and how was the Health Board publishing cases to raise awareness?
3. In relation to the Clue-3 software, are there any implications for Data Protection around sharing information with other agencies?

The Head of Counter Fraud provided clarity on the points;

1. The Cabinet Office had high expectations with regard to delivery and high percentage of data matches had already been identified and dealt with by the Health Board.
2. The Committee was informed that when cases were presented at court, the interest of local and National press created the potential to defer criminal activity. The number of referrals had not decreased and the Health Board would seek to exploit all media to further raise awareness.
3. Working protocols are in place aligned with other agencies, to avoid information governance concerns. Clue-3 is a secure and well tested investigation management system that has been used by the Police for over 20 years and information will only be shared upon approval. It was highlighted that the Data Protection Act (section 33) facilitated the disclosure of information for these purposes.

The Vice Chair commented that in relation to points of learning for the Health Board, was there a management development need to share learning on themed issues, e.g working elsewhere when on leave/sick. The Head of

Counter Fraud confirmed that the Health Board had well established measures in place to prevent this conduct.

Audit Wales queried the measures put in place by the Health Board to avoid duplicate payments. The Head of Counter Fraud confirmed that procurement ran monthly checks to identify any anomalies. Audit Wales asked for clarification on the NFI data extract timeframe and whether or not this impacted the number of matches coming into the system. The Head of Counter Fraud confirmed that the data extract captured each transaction rather than taking a data sample. Audit Wales agreed that the concerns would be shared with Audit Wales colleagues assigned to the NFI. **Action: Audit Wales**

#### **AC 0402/06**

##### **Efficiencies:**

The Director of Finance and Performance (DOF) introduced the report. The committee noted and acknowledged the report on the MSK (Musculoskeletal Transformation Programme) and noted that a full presentation would be provided at the next meeting. The DOF reported that resource had been provided to clinically assess the need for consultant follow-up review of post-operative patients (orthopedic shoulder procedures) using a PROM. The Special Advisor for Finance asked that when this was discussed at the next meeting clear timescales for implementation should be provided; the presentation should be clear about how this programme of work will feed into the annual plan; Identify the improved outcome for patients and how the new models of service would provide better use of resources.

**Action: Director of Therapies, Health and Sciences/Secretariat**

It was noted by the Chair that this was one area of the efficiency programme and that the DOF would work with the secretariat on a work programme over the next year setting out when each area would be discussed by the committee.

**Action: Director of Finance/secretariat.**

#### **AC 0402/07**

##### **Finance Report**

The Committee noted the report and the DOF and Performance highlighted the outstanding issues with Capital funding had been agreed with WG. The Committee noted provisions being made for untaken annual leave due to the pandemic and the opening of GUH. It was confirmed

discussions had taken place with Welsh Government to finalise funding to accommodate this.

The Committee was advised of the draft budget letter from Welsh Government which provided a 2% uplift from 2020/21 which would provide for minimal growth. The committee noted that WG would be withholding funding of £20 million for NHS Wales Mental Health Services and additional funding of £25 million for the Digital Programme. The Committee was advised that in the next year the financial plans will be developed as part of an integrated planning approach- service, workforce and financial plans to produce the Annual plan. To support this approach and the need to simplify the planning approach, the financial plans will consider three broad areas:

- Core plans
- COVID- related
- COVID recovery
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The DOF highlighted the proposed resource allocation principles and confirmed an enhanced focus on areas where the Health Board could save and disinvest in some areas whilst ensuring appropriate services were maintained.

The Special Advisor for Finance queried, in relation to resource allocation and the disinvestment section of the report, the level of confidence the Health Board had in its ability to deliver these objectives in 2021/22. The Director of Finance confirmed that this would require acceleration on work on some of the pathways and a National approach to identify potential areas that could be further optimised. Acceleration in this area would provide further clarity on how the Health Board could invest in other areas. The committee requested firm plans to be developed with details on the savings programme for 2021/22 with quarterly milestones put in place to be provided to the committee.

**Action: Director of Finance and Performance.**

The Chair highlighted that there will be a Board session on funding allocation at the end of February 2021 with the draft annual plan outlining potential areas of disinvestment.

The Vice Chair queried, in relation to the three themes of baseline services if the modernisation agenda would form part of the Covid recovery plan. The Director of Finance and Performance confirmed that it would be a consideration and that this was unique opportunity to approach baseline services, in an innovative way.

## AC 0402/08      **Schedule of Decisions**

The Committee noted the schedule of financial decisions from 1<sup>st</sup> October 2020 to 18<sup>th</sup> December 2020. The Director of Finance reported to the Committee that the Strategic and Tactical meetings had been stood down from 18<sup>th</sup> December 2020 and the usual Executive Team process had resumed.

The Special advisor for finance queried, in relation to the tactical financial decisions, why the Seegene machine totaling £1.3 million was a Chairs Action. The Director of Finance clarified that this was a one off investment needed for the Pathology testing centre in order to provide effective services due to the pandemic and would have been discussed in Strategic group meetings. The committee asked for confirmation that the Chairs Action had been reported to Board, if not this could be picked up at the next Board meeting.      **Action: Board Secretary**

The Special Advisor for Finance raised the following points in relation to the strategic section;

1. Transport links to GUH and the use of minibuses: was this a short term issue due to the pandemic or a long term requirement?
2. What was the Health Boards long term strategy for the use of St Josephs?
3. What are the plans going forward for the use of off contract agency staff?

The Director of Finance confirmed the following;

1. The transport to GUH was agreed as a temporary service provided on a fixed term basis to be reviewed after that term. Some of the transport provision had already began to be stepped down due to low usage due to the need not being as great as initially anticipated (based on staff feedback).
2. There was a contract in place with St Josephs for the last 10 weeks of the financial year, to provide outpatient theatre and diagnostic care based on reduced usage. As part of the recovery plan the Health Board had raised the issue with Welsh Government on the use of the independent sector and were looking at whether or not St Josephs could continue to be used however, there were no firm plans at present.
3. This was a short term plan to ensure the Health Board had a sufficient workforce in place towards the end of this year. The long term plan, on the basis that COVID subsided, was to ensure that the bed status met the

agreed level in the original Clinical Futures plan. If this was achieved it would reduce the need for agency staff.

The Chair queried the payment agreed by the Strategic group of £10,800 for the use of the Caldicott Choir Hall by Covid mass vaccination programme and whether or not this was in operational use. It was agreed that the status of this decision would be clarified. **Action: Director of Finance and Performance.**

**AC 0402/09 Risk and Assurance  
Audit Tracker**

The Committee noted the Tracker and was advised that the COVID Pandemic response had minimised action on this subsequently, 7 aspects of the Audit Tracker remain in Amber.

In relation to recommendation 100 (IA) updating the ICT disaster recovery plans; the Chair requested clarity on whether or not the updates that had been received were in relation to the original recommendations. **Action: Board Secretary and Audit Wales.**

**AC 0402/10 Risk and Board Assurance Framework**

The Board Secretary provided an update to the Committee and it was confirmed that three risk management sessions had been planned with the Executive Team to review the risk approach and the Risk Register. It was anticipated that the assurances for the Board would be agreed following these discussions. Audit Wales queried, whether the COVID Risk register would be incorporated into the Corporate Risk register. The Board secretary confirmed that this would be discussed during the Executive Team sessions.

The Chair sought assurance that the updated Corporate Risk Register and the Board Assurance Framework would be ready to be presented at the March 2021 Board meeting. **Action: Board Secretary and Head of Corporate Services, Risk and Assurance.**

**AC 0402/11 NWSSP Audit and Assurance; Internal Audit Report**

The Head of Internal Audit provided an update to the Committee and confirmed that the 'Plan to Complete' in the appendix was taken from the December 2020 Audit Committee meeting. It was noted that due to the difficulties faced by the Health Board over the last few months that the



report highlighted a number of audits which were still in development.

The Chair queried which of the reports would take priority to enable the NHS Wales Shared Service Partnership to form an opinion. The Head of Internal Audit stated that it would be imperative to progress and complete all the reports as part of the pared back plan agreed with the Chief Executive. The Infection Control report, a revisit of the COVID governance arrangements and completion of the high priority follow up report would be equally important for assurance.

The Special Advisor for Finance queried whether or not there was a way the Executive Team could help prioritise these reports. The Director of Finance confirmed that the Executive Team had received and agreed on the revised Internal Audit plan and that he would liaise with the Head of Internal Audit to flag any challenges to completion with colleagues.

#### **AC 0402/12**

##### **External Audit: Audit Wales**

Audit Wales provided an update to the Committee and it was highlighted that with regard to some of the local reports some slippage had occurred while the timetable for other audits has been extended to enable input from operational staff currently responding to the pandemic. Audit Wales confirmed that revised timetables have been agreed with executive leads and that the Executive Team remains supportive of audit work at this time.

Audit Wales brought to the Committee's attention the recently published report '*Doing It Differently, Doing It Right*', which summarised arrangements across Wales' during the pandemic and encouraged members to read this publication. It was also highlighted that a second report will be published in the coming months. Tracey Veale of Audit Wales highlighted the Annual Audit Report and raised two issues; the Clinicians Pension Tax Liability still remained an issue for 2021 and that any expenditure in relation to this would be flagged as a significant risk in the Audit plan going forward. The Committee was advised that work was ongoing to mitigate these concerns and an update would be provided in due course.

#### **AC 0402/13**

##### **Governance and Assurance**

The Assistant Director of Finance highlighted two financial procedures for approval; both had been to the Executive

team and were being discussed here in line with standing financial instructions:

- a routine update on approving orders greater than £100,000, and; the other for
- Committee approval to 'Write Off' £24,000 of bad debt.

The Committee was advised that the Assistant Director of Finance had undertaken a review of how other Health Boards in Wales were operating. A proposal had gone to the Executive team with regard to the limit of £10.00 being quite low, in order to streamline and give some delegation of write offs authority to the Director of Finance. It was confirmed all 'Write Off's' would still be reported to the Audit Committee, but only those over £25,000 would come to the Audit Committee for approval and over £50,000 to the Welsh Government.

The key dates for annual accounts meetings were agreed as follows:

- Draft Accounts Submission to Welsh Government 30<sup>th</sup> April 2021
- Draft Accounts & Report to Audit Committee Members 11<sup>th</sup> May 2021
- Audit Committee meeting to Consider Draft Accounts 18<sup>th</sup> May 2021
- Final Accounts & Report to Audit Committee Members 3<sup>rd</sup> June 2021
- Audit Committee meeting to Consider Final Accounts 8<sup>th</sup> June 2021
- Board meeting to approve Final Accounts 9<sup>th</sup> June 2021
- Final Accounts Deadline for Submission 11<sup>th</sup> June 2021

The Special Advisor for finance queried the following;

1. Would the Health Board requirement increase for Write Offs as a consequence of increasing the limit to £25,000?
2. Do debt collection agencies charge the Health Board whether they recovered debt or not?
3. In relation to the Write Offs in the report that relate to payroll. What are we doing to address overpayments and then losing contact with the people?

The Assistant Director of Finance confirmed;

1. The Health Board would seek to bring these quarterly instead of the current procedure of once a year.

2. The Health Board was currently out to tender for debt collection agencies and that there was a fixed element for fees.
3. When errors were identified, the Health Board had processes and controls in place to ensure they did not re-occur. Development work was undertaken with Workforce to address the issue of timely completion of termination forms.

Further work was being undertaken by workforce colleagues to streamline the Health Board ESR system to eliminate administrative errors for terminations in particular.

The Committee approved the amendments to the accounts receivable and the approval of orders financial procedures, approved the Write Off of £24,100 and noted the other items that were within the report.

**AC 0402/14**

**Date and Time of Next Meeting:**

Thursday 8<sup>th</sup> April at 1:00pm via Microsoft Teams