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**ANEURIN BEVAN UNIVERSITY HEALTH BOARD**

**Minutes of the Audit, Risk & Assurance Committee held on**

**Thursday1st December 2022 at 9.30 am via Teams**

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| **Present:** |
| Iwan Jones (Chair) | Independent Member (Finance) |
| Richard Clark (Vice Chair) | Independent Member (Local Authority) |
| Katija Dew | Independent Member (Third Sector) |
| Paul Deneen | Independent Member (Community) |
| Shelley Bosson | Independent Member (Community) |
| **In attendance:** |  |
| Rani Dash | Director of Corporate Governance |
| Rob Holcombe | Director of Finance, Procurement & Value |
| Mark Ross | Assistant Finance Director (Corporate) |
| Simon Cookson | Interim Head of Internal Audit, NWSSP |
| Stephen Chaney | Deputy Head of Internal Audit, NWSSP |
| Nathan Couch | Performance Audit Manager, Audit Wales |
| Andrew Doughton | Performance Audit Lead, Audit Wales |
| Richard Harries | Finance Audit Lead, Audit Wales |
| Neil Hollis | Finance Audit Manager, Audit Wales |
| Andrew Strong | Audit Wales |
| Martyn Edwards | Head of Counter Fraud |
| Suzanne Jones | Interim Assistant Finance Director - Financial Strategy, planning |
| Leeanne Lewis | Assistant Director Quality & Patient Safety |
| Lucy Windsor  | Secretariat |
| **Apologies:** |  |
| Tracy Veale | Finance Audit Manager, Audit Wales |
| Danielle O’Leary | Head of Corporate Services, Risk and Assurance |
| James Calvert | Medical Director |

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|  | **Preliminary Matters** |
| **AC 0112/01** | **Apologies for Absence**The Chair welcomed everyone to the meeting.Apologies for absence were noted.  |
| **AC 0112/02** | **Declarations of Interest**There were no Declarations of Interest raised relating to items on the agenda.  |
| **AC 0112/03** | **Draft Minutes of the Meeting held on 06 October 2022**The Committee accepted the minutes as a true and accurate record of the meeting. The Chair provided an update on the following: -**Consultant Job Planning**The Committee was informed that a project was underway to automate the job planning process and as a result, the Chair proposed that the discussion on job planning (item 2.4) be postponed until the next meeting in order for the Committee to be sighted on the Project Plan. The plan should reassure the Committee that the closure of these points can be postponed until the end of 2023/24.Members expressed concern about the current situation in terms of job planning as well as gaps in the control environment. To reassure members that job plans are in place, Rani Dash (RD), Director of Corporate Governance would distribute the paper that went to the Renumeration and Terms of Service Committee meeting on 29th November 2022, followed by the approved meeting note.**Action: Director of Corporate Governance**RD stated that a discussion on job planning would be taken to the Board in January, which would facilitate a discussion concerning delegated responsibilities to Committees in order to agree on the appropriate forums for areas that cross multiple Committees. It was agreed that an update report on job planning would come back to Audit Committee to close the action, later in 2023.**Finance** A Board Briefing Session had been scheduled for 14th December 2022 to discuss the current Health Board position and the mitigating actions needed. |
| **AC 0112/04** | **Action Sheet**The Committee reviewed the Action Sheet and approved the removal of completed actions. |
| **AC 0112/05** | **Committee Annual Programme of Business 2022/23**The Committee noted that several items had been deferred to February’s meeting due to capacity issues and prioritisation of workstreams. Rani Dash (RD), Director of Corporate Governance, stated that she did not anticipate any issues with delivering the scheduled and deferred items listed for February.The Health Board had received the Structured Assessment from Audit Wales, which had been circulated to the Board for comment.The Committee received the Clinical Audit Assurance Note.The Committee NOTED theCommittee Annual Programme of Business 2022/23 report and Clinical Audit Assurance Note. |
|  | **Corporate Governance, Risk and Assurance**  |
| **AC 0112/06** | **Welsh Health Circular (WHC) Tracker including compliance with Ministerial Directions** The Committee received its first report on WHCs, which provided an overview of those published in 2022 as well as an update on progress in implementing them. Rani Dash (RD), Director of Corporate Governance stated that it was important to have a systematic approach for overseeing performance against WHCs throughout the year.The Committee NOTED theCommittee Welsh Health Circular (WHC) Tracker including compliance with Ministerial DirectionsReport |
| **AC 0112/07** | **Internal & External Audit Recommendation Tracker**Rani Dash (RD), Director of Corporate Governance apologised to the Committee for not providing the standard report but committed to bringing a detailed update report to the February meeting. In place of the report a verbal update was provided to reassure the Committee that the Head of Risk had been meeting with respective leads to assess audit recommendations and understand progress to date on where actions could be completed or may have been superseded, and that some movement in the position had been noted.The Committee noted the update but expressed concerns regarding the Corporate Governance Team's resilience and well-being and suggested that a review and discussion with the Executive be held regarding increasing resources in this area. RD acknowledged and thanked the Committee for its concern, assuring it that a review had been conducted and that she was clear about where the team had capacity, where there are gaps, and where significant improvements are required.  |
| **Consultant Job Planning Note** Due to the Medical Director's late apologies, the Chair agreed to postpone this item noting the various forums this had been discussed at, as well as the Project Plan coming to the February meeting. |

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|  **AC 0112/08** | **Item 2.3 Committee Risk Report (CRR) & Item 2.4 Risk Management Strategy**Rani Dash (RD), Director of Corporate Governance took items 2.3 and 2.4 together.Concerning item 2.3, the Committee observed that 29 risks were not managed within the approved and agreed-upon risk appetite/tolerance level. RD reassured the Committee that a review of the Risk Management Strategy was underway, and that areas that needed significant strengthening had already been identified. A Board Development session to discuss the Health Board’s risk management approach, strategy, and risk appetite was noted as scheduled for February 2023.Shelley Bosson requested a briefing note on CRR004 - Failure to comply withtheWboFG Act and Socio-Economic Duty, with a particular emphasis on the Health Board's compliance with the Act's requirements. RD would take this forward and also provide an update on the recently reviewed Health Board Wellbeing objectives.**Action: Director of Corporate Governance**At the February meeting, with the risk owner present a detailed discussion on the risk and risk profile of displaced people/migrants would take place.**Action: Director of Corporate Governance / Secretariat**The Committee; -* NOTED the updated position on the Committee Risk Report
* NOTED the update on the Risk Management Strategy
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|  | **Financial Governance and Control** |
| **AC 0112/09** | **Use of Single Tender Waivers**The Assistant Finance Director (AFD) provided an update on the use of Single Tender Waivers.The Committee APPROVED the Use of Single Tender Waiversreport.  |
| **AC 0112/10** | **Governance Report and Ratification of Financial Control Procedures (FCPs)**Mark Ross (MR), Assistant Finance Director presented the Governance Report to the Committee and requested approval of the Capital Assets and Charges Financial Control Procedure.MR explained that the Welsh Government had issued a technical update regarding an addendum to the Standing Financial Instructions on Framework Contracts, which will be formally included in the next version of the Standing Financial Instructions.The Committee was encouraged to learn that Health Boards' compliance with Public Sector Payments was improving and stabilising, and that the new system and processes in place should reduce the risk of noncompliance.The Committee: -* NOTED the Governance Report
* APPROVED the Capital Assets and Charges Financial Control Procedure
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| **AC 0112/11** | **Asset Verification Update**Suzanne Jones (SJ), Interim Assistant Finance Director, presented the paper, noting that the issues with IT interfaces had been resolved and that tagging for both capital and Electro Biomedical Engineering (EBME) assets was well underway.The Committee noted that a plan had been developed to tag approximately £67.2 million in Gross Book Value (GBV) assets by the end of the financial year, with 52.4% already tagged. Priority was given to areas with the highest GBV and number of assets. This was described as an optimistic plan with risks, primarily in terms of divisional capacity to facilitate visits**.** However, SJ was confident the plan could be delivered.**The Committee NOTED*** The Asset tagging / verification progress in 2022/23, and
* The Asset tagging / verification plan for the remainder of 2022/23
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|  | **Anti-Fraud** |
| **AC 0112/12** | Martyn Edwards (ME) Head of Counter Fraud presented the report and informed the Committee that the fraud awareness programme had been well received across sites.The Committee requested that the Local Counter Fraud Service (LCFS) use its awareness programme to raise awareness of the financial support and guidance available to staff.Compliance with Counter Fraud mandatory training remained low in comparison to the number of employees. Rob Holcombe (RH), Director of Finance, would contact the Director of Workforce and Organisational Development to discuss ways to raise the profile of counter-fraud training as part of mandatory training.**Action: Director of Finance, Procurement & Value**The Committee NOTED the Report. |
|  | **NWSSP Audit and Assurance – Internal Audit and Specialist Service Unit**  |
| **AC 0112/13** | **Internal Audit Plan Progress Update** Stephen Chaney (SCh), Deputy Head of Internal Audit informed the Committee of progress against the plan, as detailed below; -

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| Number of audits in plan (including 2 from 2021/22):  | 32 |
| Number of audits reported as final | 8 |
| Number of audits reported as draft | 6 |
| Number of audits work in progress | 3 |
| Number of audits at planning stage | 10 |
| Number of audits not started | 5 |

It was noted that a significant number of reports were scheduled for the February meeting, with three or four likely to be limited assurance.Concerning the Decarbonisation Advisory report, Internal Audit would conduct a review of the Health Boards' planning and implementation of public sector requirements in the first/second quarter of financial year 2023/24.The Committee was asked to approve the postponement of the Quality Framework audit, which would be replaced by a review of the complaints (Putting Things Right) process, as well as the postponement of the Urgent Care System audit, for which a replacement audit is still being determined. The Committee was content to approve the deferral of both audits but requested that the replacement for the Urgent Care System be with an area with a high number of risks; the Chair suggested that SCh meet with the Director of Corporate Governance to determine the most appropriate area for review.**Action: Deputy Head of Internal Audit**The Committee; -* NOTED the progress of the 2022/23 Internal Audit Plan
* NOTED THE Reasonable Assurance and Advisory Reports
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| **AC 0112/13.1** | **Internal Audit Clinical Audit Plan**Leeanne Lewis (LW), Assistant Director Quality & Patient Safety, attended on the Medical Director's behalf and provided the Committee with an update on progress.The Committee was informed that the updated Clinical Audit Strategy (October 2022) required Divisions and Corporate leads to develop Clinical Audit plans that were aligned with quality and safety risks, as well as a key set of benchmarks to support this. In addition, the recent acquisition of an Audit Management and Tracking system (AMAT), would improve audit accountability while also making audits more efficient and timely. Capabilities within AMAT would also enable audit results to be recorded in a way that allowed successes to be celebrated, challenges to be documented, and individual audit plans to be tracked.The Committee raised several concerns regarding the findings of the audit, stating that many were historical in nature, that no progress had been made on previous audit findings/recommendations, and that management responses were insufficient to provide assurance. Furthermore, there was no evidence of escalation to a subcommittee of the Board for assistance in addressing previous findings. LW stated that as part of the improvement plan, AMAT capabilities, as well as the implementation of a standardised report encompassing patient quality and safety, datix incidents, risks, and clinical audit, would highlight variation in practice and where escalation and general reporting to the Executive and a sub-committee of the Board was required.The Committee requested that the Patient Quality, Safety, and Outcomes Committee (PQSOC) provide assurance that management responses and governance arrangements for clinical audit reporting were being discussed and monitored to ensure that audit findings were raised and resolved at the appropriate level. The Chair requested that the Clinical Audit Report come back to the Committee, with an assurance note from PQSOC confirming that the Committee is satisfied that the management responses contained within the Internal Audit Report, and associated management actions, are robust enough to address the recommendations and that the Committee will continue to monitor progress.**Action: Director of Corporate Governance / Secretariat**Simon Cookson (SC), Interim Head of Internal Audit, proposed meeting with LW to review management responses and timelines, as well as providing more frequent progress updates to the appropriate governance Committees in the coming months.The Chair requested that a follow-up review be conducted following the implementation of all controls to ensure that improvements are being made and that any open audit recommendations on the Tracker be reviewed.**Action: Interim Head of Internal Audit**The Committee NOTED the Report. |
|  | **External Audit**  |
| **AC 0112/14** | **Performance Update Report** Andrew Doughton (AD), Audit Wales, presented the Performance Update report and noted the following key points: -* The Draft Structured Assessment and Review of Arrangements for Securing Efficiencies had been issued to the Health Board for comment.
* The draft All-Wales Orthopaedic Follow Up Review: Summary Report had been delayed and would be issued by end of January with a discrete Annex for each Health Board.

The Committee NOTED the Performance Updatereport. |
| **AC 0112/15** | **Final Annual Accounts Memorandum**Neil Hollis (NH), Audit Wales, presented the report and stated that the recommendation regarding asset verification would be largely addressed as a result of the new tagging system.The Committee requested that the agreed Management Response to the recommendations be disseminated to Board Members following review by the Executive Committee. Rob Holcombe (RH) Director of Finance requested that this be taken forward by the Director of Corporate Governance.**Action: Director of Corporate Governance**The Committee NOTED the Report |
| **AC 0112/16** | The Committee NOTED the following reports for information; -* PRESS RELEASE: £6.5 million of fraud and overpayments identified by National Fraud Initiative in Wales
* Making Equality Impact Assessments more than just a tick box exercise

Rob Holcombe (RH), Director of Finance, requested that Andrew Doughton (AD), Audit Performance Lead, Audit Wales, confirm with the Director of Corporate Governance which recommendations needed to be added to the Audit Tracker.**Action: Audit Performance Lead, Audit Wales*** Internal Audit Management Response Guide
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| **AC 0112/17** | **Date of Next Meeting**The date of the next business meeting was noted as: -Thursday 3rd February 09:30 -12:00 via Microsoft Teams. |
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