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University Health Board

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

MINUTES OF THE AUDIT RISK & ASSURANCE COMMITTEE

DATE OF MEETING	Tuesday 12 September 2024
VENUE	Microsoft Teams

PRESENT	Iwan Jones Richard Clark Neil Patrick	Committee Chair – Independent Member Committee Vice Chair - Independent Member Independent Member
IN ATTENDANCE	Rani Dash Rob Holcombe Gareth Lavington Gareth Lewis Stephen Chaney Muray Guard Sara Utle Nicola Prygodzicz Leeanne Lewis Lucy Windsor	Director of Corporate Governance Director of Finance and Procurement Head of Counter Fraud Head of Financial Services & Accounting Head of Internal Audit, NWSSP Senior Auditor, Internal Audit, NWSSP Performance Audit Lead, Audit Wales Chief Executive (<i>joined at 10:15</i>) Assistant Director Quality & Patient Safety Head of Corporate Risk and Assurance (Secretariat)
OBSERVING	Heulwen Griffiths	Head of Business Systems & Governance
APOLOGIES	Dafydd Vaughan Dr James Calvert Julie Rees	Independent Member Medical Director Finance Audit Lead – Audit Wales

Minute Reference	Preliminary Matters
ARAC 1209/01	Welcome and Introductions The Chair welcomed everyone to the meeting and welcomed Gareth Lavington, Head of Counter Fraud, to the Health Board and Committee.
ARAC 1209/02	Apologies for Absence Apologies were noted.
ARAC 1209/03	Declarations of Interest There were no declarations of interest raised to record.



ARAC 1209/04	<p>Minutes of the previous meeting The minutes of the meeting held on the 09 July 2024 were agreed as a true and accurate record.</p>
ARAC 1209/05	<p>Committee Action Log The Committee reviewed the action log, noting actions completed, actions in progress, and actions not yet due.</p> <p>The Committee AGREED that completed actions could be removed from the Action Log.</p>
ITEMS FOR APPROVAL / RATIFICATION / DECISION	
ARAC 1209/06	<p>Audit Recommendation Tracking Procedure Lucy Windsor (LW), Head of Corporate Risk and Assurance presented the Committee with the updated Audit Recommendation Tracking Procedure which incorporated comments from the July meeting and noted that the updated procedure had been reviewed by internal and external audit.</p> <p>Iwan Jones (IJ) Committee Chair, raised a query about handling risks raised by external audits where actions could not be completed, suggesting the need for mitigating controls. Rani Dash (RD) Director of Corporate Governance reassured IJ that further work was needed to align audit outcomes with the risk management system, and this was a priority for the Corporate Governance Directorate.</p> <p>The Committee APPROVED the Audit Recommendation Tracking Procedure.</p>
ARAC 1209/07	<p>Audit Recommendations Tracker Lucy Windsor (LW), Head of Corporate Risk and Assurance reported on the status of audit recommendations as of 31 August 2024, noting that 24 recommendations were completed, deadlines for 30 were revised, and 3 remained overdue.</p> <p>Neil Patrick (NP), Independent Member enquired about the report's purpose, to which LW responded that it served to assure the Committee that recommendations were being monitored and implemented, as well as to oversee any outstanding recommendations that required additional scrutiny.</p> <p>Iwan Jones (IJ), Committee Chair, acknowledged the substantial progress that had been made with progressing recommendations particularly the backlog of longstanding recommendations.</p> <p>The Committee APPROVED the closing position of the Completed recommendations.</p>



<p>ARAC 1209/08</p>	<p>Use of Single Tender Action (STA) Gareth Lewis (GL), Head of Financial Services & Accounting presented the report on STAs approved between March and August 2024.</p> <p>The Committee noted that some STAs from the previous financial year had been missed but were now captured. Iwan Jones (IJ) Committee Chair queried whether control measures had been implemented to prevent similar issues in the future, to which Robert Holcombe (RH) Director of Finance and Procurement confirmed that actions had been taken.</p> <p>Neil Patrick (NP), Independent Member, enquired about the use of the STA for the Acorn Project, valued at £800k, and requested sight of the STA. The proforma would be shared by RH.</p> <p>ACTION: Director of Finance and Procurement</p> <p>The Committee APPROVED the Single Tender Action Report.</p>
<p>ARAC 1209/09</p>	<p>Financial Governance Report and Charges to Financial Capital Procedures (FCP) Gareth Lewis (GL), Head of Financial Services & Accounting updated the Committee on financial governance, including the approval of two financial control procedures relating to salary sacrifice and out-of-area referrals.</p> <p>The Committee also received an update on technical accounting issues, compliance with the public sector payment policy, and payments exceeding £100,000, including the approval of a significant Chepstow lease purchase which had been approved by Welsh Government</p> <p>The Committee NOTED the contents of the Financial Governance Report and APPROVED changes to the Salary Sacrifice and Out-of-Area Referrals FCPs.</p>
<p>ITEMS FOR DISCUSSION</p>	
<p>ARAC 1209/10</p>	<p>Mid-year Report on the delivery of the Clinical Audit Plan Leeanne Lewis (LL), Assistant Director Quality & Patient Safety presented an interim report on clinical audits, noting significant progress but also acknowledging areas requiring improvement.</p> <p>Iwan Jones (IJ), Committee Chair raised several concerns regarding the level of assurance which could be taken from the report; specifically</p> <ul style="list-style-type: none"> • how the number and scope of completed audits compared to those planned;



- how the plan ensured the appropriate coverage of clinical areas;
- the prioritisation and timeliness of audit actions – most audit actions did not appear to be prioritised and were overdue

LL explained that ongoing work was focused on tracking overdue actions and improving governance.

LL sought clarity on the remit and frequency of reporting to the Committee. Rani Dash (RD), Director of Corporate Governance, explained that the ARAC focused on the plan and its delivery, while the Patient Quality, Safety and Outcomes Committee (PQSOC) focused on the outcomes, risks, issues, and learning from the clinical audits.

RD advised that Lucy Windsor (LW), Head of Corporate Risk and Assurance, would create and share a document outlining the reporting schedules and focus of reports for both committees.

ACTION: Head of Corporate Risk and Assurance

The Committee **NOTED** the Mid-year Report on the delivery of the Clinical Audit Plan but was not able to take the necessary assurance that the plan was on track and delivering improvements.

ARAC 1209/11

Counter Fraud Quarterly Update

Gareth Lavington (GLa), Head of Counter Fraud Lavington provided the Committee with a progress report on counter fraud activities for noting a significant number of referrals and ongoing investigations.

GLa highlighted the success of staff awareness programmes, with over 10,000 staff completing the mandatory Counter Fraud e-learning module on ESR.

The Committee **NOTED** the Counter Fraud Quarterly Update for Assurance.

Nicola Prygodzicz joined the meeting.

ARAC 1209/12

Committee Programme of Business

Rani Dash (RD), Director of Corporate Governance presented the Committee Forward Work Programme noting that committee business was on track, with all items scheduled to date having been received by the Committee

The Committee **NOTED** the Committee Programme of Business for Assurance.



ARAC 1209/13

Implementation of the Governance Priorities set out within the IMTP 2022-25

Rani Dash (RD), Director of Corporate Governance presented the report stating that progress against the previously established three-year governance priorities was continuing and advised that certain actions would remain ongoing as the governance system evolved.

Neil Patrick (NP), Independent Member, acknowledged the challenges that were reported regarding the implementation of the Once for Wales RL Datix Risk Module and enquired whether arrangements had been made for both migration and non-migration situations. Lucy Windsor (LW), Head of Corporate Risk and Assurance, stated that a recent meeting highlighted disparities in risk management processes among health bodies and stated that a unified system for all of Wales might not be the way forward and that consideration of a customised system to meet specific organisational requirements could be more suitable.

The Committee was informed that there was a growing consensus to extend the use of Datix Web until 2027 while evaluating alternative options was the favourable option amongst health bodies. LW had committed to providing an update report when there was a clearer position and way forward.

ACTION: Head of Corporate Risk and Assurance

The Committee **NOTED** the progress against the Implementation of the Governance Priorities set out within the IMTP 2022-25 for Assurance.

ARAC 1209/14

Bi-annual Report on Compliance with Ministerial Directions and Welsh Health Circulars (WHCs)

Rani Dash (RD), Director of Corporate Governance presented the report and advised that the Annual Governance Statement typically included compliance with ministerial directions and Welsh health circulars.

The Committee noted that the Corporate Governance Directorate was working to establish a regular updating and oversight process, similar to the audit tracking process. Efforts were being made to attach time frames to actions outlined by WHCs, aiming to address existing gaps.

The Committee **NOTED** the Bi-annual Report on Compliance with Ministerial Directions and Welsh Health Circulars (WHCs) report for Assurance.



ARAC 1209/15

Committee Risk & Assurance Report

Lucy Windsor (LW), Head of Corporate Risk and Assurance provided an update on the Health Board's strategic risks, noting that six risks remained outside the Board's risk appetite. Iwan Jones (IJ), Committee Chair asked whether the controls in place would bring these risks within acceptable levels, to which LW explained that due to the complexity of certain risks, they may remain high despite mitigations.

Rani Dash (RD) Director of Corporate Governance emphasised the importance of committees assessing the breadth of actions related to risks and provide recommendations to the Board. RD stated that committees needed to adopt a more focused and detailed approach to risk review and suggested that the risk item evolve into a focused deep dive of individual risks at each meeting. IJ suggested that committees prioritised risk in their agendas, advocating for a shift that allowed committees to address risks early in their meetings. RD agreed, highlighting the need for better integration of risk assessments into committee agendas and confirming that his approach would be strengthened moving forward.

The Committee **NOTED** the Committee Risk & Assurance Report for Assurance.

ARAC 1209/16

Internal Audit Progress Report including 2024/25 Internal Audit Work Plan

Stephen Chaney (SC), Head of Internal Audit reported on the ongoing internal audit plan for 2024-25, with no major concerns raised.

The Committee was asked to approve the merger of the Analytics and Information Use (AIU), and the IMTP Service Delivery Plans audits due to significant overlap, which the Committee approved.

The Committee **NOTED** the Internal Audit Progress Report for Assurance.



To Receive Internal Audit Reports

Stephen Chaney (SC) - Head of Internal Audit, presented the Committee with findings from the audits outlined below.

Saving Programmes – Reasonable Assurance

The review focused on the management and delivery of saving initiatives to address the ongoing deficit rather than assessing the overall financial position. Two recommendations were raised: one involved defining RAG (Red, Amber, Green) ratings for clarity, while the other suggested exploring ways to maximise savings where targets had not been achieved. The review highlighted that continuous improvement efforts were expected to yield further savings, with no immediate material concerns identified in other areas. Overall, significant work had been done to retrieve the financial balance despite the existing deficit.

Waiting List Management – Reasonable Assurance

The review highlighted key factors affecting service delivery, particularly the high demand in trauma and orthopaedics, where waiting lists were extensive. It assessed ongoing patient validation and prioritisation, noting the challenges in managing patient flow due to the size of the waiting lists. Despite these difficulties, initiatives to reduce waiting times were in progress.

Neil Patrick (NP), Independent Member, inquired whether the Health Board was analysing patient presentations against waiting lists to determine the impact of rising demand versus successes in reducing wait times. It was noted that while significant resources were dedicated to managing waiting lists, demand often exceeded capacity. Efforts to balance financial constraints with performance and safety were ongoing, alongside a commitment to improve communication with patients about wait times and explore options for consultant flexibility. Overall, while steps were being taken to address these challenges, high demand remained a significant obstacle to optimal outcomes.

Regional Radiotherapy Satellite Centre – Reasonable Assurance

Murray Guard (MG), Senior Auditor, Internal Audit presented the report, noting that this was the second audit of the project, and that the review was focused on the management arrangements for the development of the Regional Radiotherapy Satellite Centre at Nevill Hall Hospital (NHH).

The Committee was informed that the review determined that the project board's governance and scrutiny needed to be improved, and that potential risks associated with the adequacy of remaining contingency funds should be evaluated. It was also



	<p>observed that several of the recommendations made had already been implemented. Furthermore, seven of the nine audit recommendations that had been previously issued had been implemented, with one being replaced by a new recommendation.</p> <p>The Committee NOTED the internal audit reports for Assurance.</p>
<p>ARAC 1209/18</p>	<p>External Audit Progress Report 2024/25 Sara Utley (SA), Audit Wales, presented the Committee with an overview of the 2024/25 External Audit progress report noting that the Charitable Funds Audit was scheduled for November with the intention of completing mid-December.</p> <p>The Committee NOTED the External Audit Progress Report 2024/25 for Assurance.</p>
<p>Items for Information</p>	
<p>ARAC 1209/19</p>	<p>Chairs of Audit Committees Operating Arrangements The Committee NOTED the arrangements for Information.</p>
<p>ARAC 1209/20</p>	<p>National KPI Template for Capital Projects The Chair enquired about the template’s origin and requested confirmation of its source. ACTION: Head of Corporate Risk and Assurance</p>



ARAC 1209/21	<p>Response from Welsh Government to the Audit Wales Community Pharmacy Data Matching Report</p> <p>The Committee asked for an assurance note to confirm that the actions detailed in the report had been implemented.</p> <p>ACTION: Head of Corporate Risk and Assurance</p>
	Other Matters
ARAC 1209/22	<p>Items to be Brought to the Attention of the Board and Other Committees</p> <ul style="list-style-type: none"> • No items raised
ARAC 1209/23	<p>Any Other Urgent Business</p> <ul style="list-style-type: none"> • Nothing reported.
ARAC 1209/24	<p>Date of the next meeting</p> <ul style="list-style-type: none"> • Tuesday 12 November 2024