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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	Tuesday 21 st May 2024
VENUE	Microsoft Teams

PRESENT	Iwan Jones - Independent Member, Committee Chair Richard Clark- Independent Member, Committee Vice Chair Dafydd Vaughan - Independent Member Neil Patrick – Independent Member
IN ATTENDANCE	Rani Dash- Director of Corporate Governance Lucy Windsor – Head of Corporate Risk and Assurance Rob Holcombe - Director of Finance and Procurement Stephen Chaney –Head of Internal Audit Sara Utley – Performance Audit Lead, Audit Wales Michelle Morris – Head of Counter Fraud Mark Ross – Assistant Finance Director Paul Stocker – Senior Auditor, Internal Audit Bryony Codd – Head of Corporate Governance Julie Rees – Finance Audit Manager, Audit Wales Hannah Evans – Director of Strategy, Planning and Partnerships Leanne Lewis – Assistant Director for Quality and Patient Safety <i>(left at 09:57am)</i> Danielle Jackson – Secretariat
Apologies	Tracy Daskiewicz – Director of Public Health James Calvert – Medical Director

ARAC 2105/1	Preliminary Matters
ARAC 2105/1.1	Welcome and Introductions The Chair welcomed everyone to the meeting.
ARAC 2105/1.2	Apologies for Absence Apologies were noted.
ARAC 2105/1.3	Declarations of Interest There were no declarations of interest raised to record.



ARAC 2105/1.4	<p>Minutes of the previous meeting The minutes of the meeting held on the 16th of April 2024 were agreed as a true and accurate record.</p>
ARAC 2105/1.5	<p>Committee Action Log The Committee reviewed the action log, noting actions completed, actions in progress, and actions that were not yet due.</p> <p>The Chair asked for a confirmed date for the Job Planning update (2811/3.4) to come back to the Committee and requested that the action log be updated once it was agreed.</p>
ARAC 2105/2	Items for Discussion
ARAC 2105/2.1	<p>To formally approve the recommendations contained in the reports presented at meeting held on the 16th of April 2024.</p> <p>In lieu of a quorum at the April 2024, meeting, a summary of the reports that had been previously submitted for formal approval were presented to the Committee.</p> <ul style="list-style-type: none"> - Internal Audit Workplan 2024/25 - Audit, Risk and Assurance Committee Workplan 2024/25 - Three Financial Control Procedures (<i>Accounts Receivable, Counter Fraud Communication Strategy and Contract Management</i>) - Q4 Audit Recommendation tracking closing position <p>The Committee APPROVED the Internal Audit Workplan 2024/25, the Audit, Risk and Assurance Committee Workplan 2024/25, and the three Financial Control Procedures.</p> <p>The Committee also NOTED the Q4 Audit Recommendation Closing Position and ENDORSED requested revised timescale requests.</p>
ARAC 2105/2.2	<p>To Receive the Counter Fraud 2023/24 Annual Report and Approve the Counter Fraud Annual Work Plan 2024/25 Michelle Morris (MM), Head of Counter Fraud, provided the Committee with an overview of the Counter Fraud Annual Report 2023/24 and presented the Counter Fraud Annual Work Plan 2024/25.</p> <p>It was reported that the level of fund recovery had been higher in 2023/24 in comparison to previous years.</p>



MM confirmed that the department was in the process of restructuring in order to generate additional resources to manage the increased referrals and concentrate on more proactive tasks, thereby reducing the need for administrative support.

Rob Holcombe (RH), Director of Finance and Procurement, informed the Committee that the majority of the work completed was related to salary overpayments, which were often caused by administrative errors. A new process for dealing with salary overpayments and termination was under consideration. One of the benefits of the new process was the anticipated reduction in the counter-fraud team's involvement, allowing them to dedicate more time to addressing more significant fraud issues.

The Committee **NOTED** the 2023/24 Annual Report and **APPROVED** the 2024/25 Counter Fraud Annual Workplan.

ARAC 2105/2.3

To Receive the Clinical Audit Annual Report 2023/24 and Approve the Clinical Audit Plan 2024/25

Rani Dash (RD), Director of Corporate Governance, provided the Committee with an overview of its responsibilities in relation to clinical audit activity, stating that it was responsible for ensuring a robust clinical audit plan was in place, that audit activity was carried out effectively, and that the Patient Quality, Safety, and Outcomes Committee would monitor the outcomes of specific clinical audits and any associated risks.

Leeanne Lewis (LL), Assistant Director for Quality and Patient Safety, presented the Clinical Audit Annual Report 2023/24 and Clinical Audit Annual Plan 2024/25. LL informed the Committee that the second annual audit plan for national audits was now available, and that local audits were being recorded and tracked via the Audit Management and Tracking System (AMaT).

When asked about the number of completed audits compared with the initial project number, it was confirmed that there was a 100% compliance rate for national clinical audits and approximately 80% compliance rate for national confidential inquiry into patient outcomes and death audits. Efforts to improve compliance were ongoing.

Concerns were expressed regarding the limited audit rating for 30% of clinical audits. It was explained that work was underway to align ratings with the new risk management framework, provide appropriate advice, and adhere to the appropriate risk level. Risk training for auditors was also being offered.



	<p>The Committee NOTED the 2023/24 Annual Report and APPROVED the 2024/25 Clinical Audit Annual Workplan.</p>
<p>ARAC 2105/3 ARAC 2105/3.1</p>	<p>ITEMS FOR APPROVAL / RATIFICATION / DECISION</p> <p>To Receive the Standards of Behaviour Policy</p> <p>Rani Dash (RD), Director of Corporate Governance, provided a summary of the revised draft Standards of Behaviour Framework and Policy to the Committee. The revised policy aimed to provide a more robust policy and clearer expectations for reporting declarations of interest, gifts, and hospitality. The policy was scheduled to be presented to the Board for formal approval in July 2024.</p> <p>Neil Patrick (NP), Independent Member, inquired about the policy's scope and whether a set of behaviours could be used to address organisational behaviour issues. RD confirmed that it applied to all employees, including contractors, with specific sections addressing specific staff groups, and that the Health Board had a Values and Behaviours Framework in place. RD advised that the Values and Behaviours Framework would be reviewed and presented to the People and Culture Committee.</p> <p>The Committee NOTED the report.</p>
<p>ARAC 2105/3.2</p>	<p>Review of the Health Boards Annual Report, Overview & Performance section (Part 1)</p> <p>Rani Dash (RD), Director of Corporate Governance informed the Committee that the Health Board's Annual Accounts would be presented in three sections. The sections were required to be submitted to Welsh Government as a final consolidated document by 15th July 2024. All parts had been circulated to Audit Wales and Welsh Government for review. The final documents would be presented at the next scheduled committee meeting on the 9th of July 2024.</p> <p>Hannah Evans (HE), Executive Director of Strategy, Planning and Partnerships, provided the Committee with an overview of Part 1 of the Health Boards Annual Report, Overview and Performance which focused on the organisation's main objectives, strategies and principal risks for the organisation and linked closely to the Annual Governance Statement (AGS).</p> <p>The Committee expressed its approval of the draft report and raised no concerns regarding its contents.</p> <p>The Committee NOTED the report.</p>



ARAC 2105/3.3

Review Draft/Final Accountability Report, Including Annual Governance Statement (Part 2)

Rani Dash (RD), Director of Corporate Governance presented the Committee with an overview of Part 2 of the Health Boards Annual Report, Accountability report and Annual Governance Statement, highlighting the report focused on corporate governance, the remuneration and staff report and the Welsh Parliament Accountability and Audit Report.

The Committee expressed its approval of the draft report and raised no concerns regarding its contents.

Iwan Jones (IJ), Chair, expressed concern about an increase in staff numbers, particularly non-frontline staff, that did not correspond to the current budgetary constraints, and suggested that the report include additional narrative to explain the increase. RD agreed to provide additional analysis and explanation about the changing workforce profile.

ACTION: Director of Corporate Governance.

Rob Holcombe (RH), Director of Finance and Procurement, suggested that the changes could be due to the Covid-19 pandemic, in which agency staff were converted to wholetime equivalents (WTEs), as well as new projects in which administrative staff were now supporting the operation of frontline services.

The Committee **NOTED** the report.

ARAC 2105/3.4

Review Draft/Final Accounts and Financial Statements (Part 3) – To include losses and special payments.

Mark Ross (MR), Assistant Finance Director, presented the Committee with an overview of Part 3 of the Health Board's Annual Report, draft accounts, and final statement noting it covered the draft accounts, final statements, losses, and special payments.

The Committee was informed that the public sector payment policy target of 95% was met at 97.4%, as was the Welsh Government's cash target of £4.41 million at the end of the financial year.

Details of clinical negligence losses were provided, indicating a steady increase to 1.8 million in 2023/24. It was unclear whether the increase in clinical negligence losses was a one-time occurrence or a continuing trend and that the increase may be



	<p>due to post-COVID claims and would be monitored in the coming year.</p> <p>Iwan Jones (IJ), Committee Chair, inquired whether the recommendations contained in the Infected Blood Inquiry Report would have an impact on the health boards' accounts. Rani Dash (RD), Director of Corporate Governance, confirmed that spending was being monitored, but that no significant impact on the Health Board was anticipated at this time. Rob Holcombe (RH), Director of Finance and Procurement, agreed to work with Audit Wales to assess the potential impact of the Infected Blood Inquiry and ensure consistency in reporting.</p> <p>ACTION: Director of Finance & Procurement, and Audit Wales.</p> <p>The Committee expressed its approval of the draft report and raised no concerns regarding its contents.</p> <p>The Committee NOTED the report.</p>
<p>ARAC 2105/3.5</p>	<p>To Review Audit Enquires to those charged with Governance and Management.</p> <p>Mark Ross (MR), Assistant Finance Director, gave the Committee a summary of the report, stating that Audit Wales receives the annual return in order to provide auditors with information about the Health Board and its business activities, which aids in the examination of the financial statements.</p> <p>The committed NOTED the report.</p>
<p>ARAC 2105/3.6</p>	<p>To Receive the Internal Audit Progress Report – To include Head of Internal Audit Opinion and Annual Report 2023/24</p> <p>Stephen Chaney (SC), Head of Internal Audit, provided a summary of the Internal Audit Progress Report to the Committee.</p> <p>The Committee was informed that the Final Head of Internal Audit Opinion Annual Report 2023/24 is expected to receive a rating of reasonable assurance. The final document is expected to be received at the Committee's next scheduled meeting in July 2024.</p> <p>The Committee NOTED the Report</p>
<p>ARAC 2105/3.7</p>	<p>To Receive Internal Audit Reports</p> <p>Stephen Chaney (SC) - Head of Internal Audit, provided the Committee with an overview of the following four reports.</p>



Bevan Health and Wellbeing Centre – Limited Assurance

The Committee was informed that the audit sought to review the delivery and management arrangements in place to progress the Bevan Health and Wellbeing Centre. It was noted that this was the third review completed, with the first providing a reasonable assurance rating and the second and third resulting in a limited assurance rating.

Paul Stocker (PS), Auditor, Internal Audit summarised the main areas raised within the report. These included significant delays in project delivery and a forecasted budget that exceeded by 4.2%.

Hannah Evans (HE), Director of Strategy, planning and partnerships, reassured the Committee that the Health Board was aware of the issues identified and work was ongoing to resolve them. A Chairs Action meeting had been held to discuss and resolve outstanding disputes. The financial risks and their implications for the discretionary capital programme were being managed. Communication with Welsh Government remained ongoing, and a comprehensive bid would be submitted once outstanding disputes were resolved.

Iwan Jones (IJ), Chair raised concerns about the management responses to the recommendations raised as well as a lack of specific completion dates.

The Committee requested that the audit be reviewed, and management responses be updated to reflect progress made/planned and presented back to the committee at its next scheduled meeting in July 2024.

ACTION: Head of Internal Audit / Director of Public Health & Director of Strategy, Planning and Partnerships

ACTION: Secretariat

Rani Dash (RD), Director of Corporate Governance informed the Committee that work was underway to develop a clear process for the handling of management responses and audits to ensure quality assurance and robust sign off process. The process would be presented to the Committee for approval at its meeting in July 2024.

ACTION: Director of Corporate Governance

ACTION: Secretariat



Medical Equipment & Devices (Ultrasound) – Reasonable Assurance

The audit sought to provide an opinion over the management and tracking of ultrasound devices throughout the Health Board. It was reported that asset management and the use of RFID tagging devices improved medical equipment management and tracking. A more detailed review of medical equipment and devices was scheduled in the 2024/25 Internal Audit Plan.

Maternity Services (Action Plan) – Reasonable Assurance

The audit sought to review the governance arrangements in place and examine the tracking and progress of maternity related actions from key external reviews; a more in-depth review of the Maternity Services Action plan was scheduled in the 2024/25 Internal Audit Plan.

Early Supported Discharge (Stroke) – Substantial Assurance

The audit sought to assess whether the arrangements in place for the early supported discharge of stroke patients are operating effectively.

Iwan Jones (IJ), Chair, queried whether the management considerations outlined in the report would be implemented and monitored in line with the current process. SC advised that management considerations were suggested improvements, but they were not formal recommendations.

IJ inquired about the practicalities of tracking management considerations for audit purposes and would discuss with the Director of Corporate Governance outside of the meeting.

ACTION: Committee Chair

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

ARAC 2105/3.8

To Receive the External Audit Work Plan 2024/25

Julie Rees (JR) and Sara Utley (SU), Audit Wales, presented the Committee with a summary of the 2024/25 External Audit work plan.

It was reported that that following receipt of the draft account's materiality will increase to £19.4 million from £17.8 million and that there were six areas of focus of the Financial Statements Audit, listed below: -

- Management Override,
- Financial Duty,



- Losses and Special Payments Register,
- Related Parties and Senior Officer Remuneration,
- Asset verification, and;
- Provisions and contingent liabilities

JR advised that the review of Monnow Vale Hospital Pool Budget had not been confirmed but noted if this were to be included an extra fee would be charged for the work.

SU informed the Committee that the performance audits for 2024 would encompass the following four areas:

- Annual Structured Assessment
- Structured Assessment – Deep dive of Digital systems
- All Wales thematic review of urgent and emergency care
- Review of the Health Boards Eye Care Services

Dafydd Vaughn (DV), Independent Member, queried the plan to revisit the structured assessment of digital systems. Sara Utley (SU), Audit Wales, stated that the focus would be on the Health Board's digital systems, but the review into national programmes with DHCW was ongoing, and the completed report would be shared with the committee.

Neil Patrick (NP), Independent member, questioned when the digital systems audit would be completed. SU confirmed that the audit was in the scoping stage and could not provide a specific timeline at this time but agreed to investigate the projected timeline and share findings with members.

ACTION: Performance Audit Lead, AUDIT WALES

Rob Holcombe (RH), Director of Finance and Procurement, inquired about the timeline for reporting on the efficiency review. SU confirmed that the report was in draft and would be available for presentation at the next audit committee meeting in July 2024.

The committee **NOTED** the report

ARAC 2105/3.9

To Receive External Audit Progress Report 2023/24

Sara Utley (SA), Audit Wales, Presented the committee with an overview of the 2024/25 External Audit progress report.

The committee **NOTED** the report.

ARAC 2105/4

Items for Information

ARAC 2105/4.1

To Receive Primary Care Follow-up Report - following amendments to recommendation status



	<p>The Committee was informed that the report had been reviewed and that the recommendation status and completion dates had been updated. However, it was noted that the changes to the completion date/management responses had not been incorporated into the main body of the report.</p> <p>The Committee requested that the report be reviewed and edited to ensure consistency throughout, and then republished. ACTION: Performance Audit Lead, Audit Wales.</p>
ARAC 2811/5	Other Matters
ARAC 2811/5.1	Items to be Brought to the Attention of the Board and Other Committees
ARAC 2811/5.2	<p>Any Other Urgent Business 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 9th July 2024 (Final Accounts)