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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**

<b>DATE OF MEETING</b>	Tuesday 16 <sup>th</sup> April 2024
<b>VENUE</b>	Microsoft Teams

<b>PRESENT</b>	Iwan Jones - Independent Member, Committee Chair Dafydd Vaughan - Independent Member ( <i>co-opted for quorum</i> )
<b>IN ATTENDANCE</b>	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 Stephen Chaney – Deputy Head of Internal Audit Sara Utley – Audit Wales Left 13:46 Mark Ross – Assistant Finance Director Andrew Doughton – Audit Wales Julie Rees – Audit Wales – Left 13:46 Leanne Watkins – Chief Operating Officer ( <i>left at 13:50</i> ) Lloyd Hambridge – Head of Primary Care and Community ( <i>left at 13:50</i> ) Danielle Jackson – Secretariat
<b>Apologies</b>	Richard Clark– Independent Member, Committee Vice Chair

<b>ARAC 1604/1</b>	<b>Preliminary Matters</b>
<b>ARAC 1604/1.1</b>	<b>Welcome and Introductions</b> The Chair welcomed everyone to the meeting.
<b>ARAC 1604/1.2</b>	<b>Apologies for Absence</b> Apologies were noted.  Rani Dash (RD), Director of Corporate Governance, informed the committee that due to apologies, the Committee meeting was not quorate in terms of the Committee Terms of Reference; however, a decision was made to proceed on the basis of two independent members being satisfactory in accordance with the Audit Committee Handbook Guidance, which would be documented and reported in the Annual Governance Statement (AGS).
<b>ARAC 1604/1.3</b>	<b>Declarations of Interest</b> There were no declarations of interest raised to record.



<b>ARAC 1604/1.4</b>	<p><b>Minutes of the previous meeting</b> The minutes of the meeting held on the 8<sup>th</sup> February 2024 were agreed as a true and accurate record.</p>
<b>ARAC 1604/1.5</b>	<p><b>Committee Action Log</b> The Committee reviewed the action log, noting actions completed, actions in progress, and actions that were not yet due.</p> <p>The Committee agreed to complete the following action;</p> <p><b>ARAC1807/2.1</b> Clinical Audit Update - The Patient Quality, Safety and Outcomes Committee would be responsible for monitoring Clinical Audit outcomes.</p> <p><b>ARAC 0802/3.9</b> On the basis that meetings have taken place, and the Corporate Risk Register would be presented to the Board in July.</p>
<b>ARAC 1604/2</b>	<p><b>Items for Discussion</b></p>
<b>ARAC 1604/2.1</b>	<p><b>To Receive External Audit Progress Report</b> Sara Utley (SU), Audit Wales, provided the Committee with a summary of the External Audit Progress Report, including an update on Stakeholder Survey.</p> <p>It was reported that there were five current and planned audits including;</p> <ul style="list-style-type: none"> <li>- Structured Assessment deep dive.</li> <li>- Follow-up of Primary Care Services</li> <li>- Unscheduled Care Arrangements</li> <li>- Follow-up Quality Governance Review</li> <li>- Tackling NHS waiting lists</li> </ul> <p>The Committee was informed that following the Stakeholder Perception report three main priorities had been identified for the strategic dynamic and high-quality audit programme, as well as a targeted and impactful approach to communications and influencing, which will be incorporated into the External Audit Workplan for 2024/25.</p> <p>It was noted that the External Audit Annual Plan 2024/25 had been circulated to Board members and would be presented formally at the next Committee meeting.</p> <p>The Committee <b>NOTED</b> the Report</p>



<p><b>ARAC 1604/2.2</b></p>	<p><b>To Review the Primary Care Follow-up Report</b>  Sara Utley (SU), Audit Wales, provided the Committee with an update of the revised Primary Care Follow-up Report following amendments made to the management response by the Health Board.</p> <p>Iwan Jones (IJ), Chair, expressed concerns about the recommendations in the report marked as 'completed' and 'will continue ongoing', and requested that actions either be noted as completed or deadlines agreed with management in order to track progress. SU confirmed that the recommendation status/agreed completion dates would be reviewed, updated and presented back to the committee at the next scheduled meeting.</p> <p><b>ACTION: Secretariat</b></p> <p>The Committee <b>NOTED</b> the Report</p>
<p><b>ARAC 1604/2.3</b></p>	<p><b>To Receive Internal Audit Progress Report</b>  Stephen Chaney (SC), Head of Internal Audit, provided a summary of the Internal Audit Progress Report to the Committee.</p> <p>It was reported that from the 2023/24 Internal Audit Plan 13 audits have been reported in final, 6 have been produced in draft, 7 remain in progress and 1 remains at the planning stage.</p> <p>The Committee <b>NOTED</b> the Report</p>
<p><b>ARAC 1604/2.4</b></p>	<p><b>To Receive Internal Audit Reports</b>  Stephen Chaney (SC) - Head of Internal Audit, provided the Committee with an overview of the following five reports.</p> <p><b>Unified Breast Unit – Substantial Assurance</b>  It was reported that the audit sought to review the management arrangements in place to progress the Ysbyty Ystrad Fawr Unified Breast Cancer Unit.</p> <p>The Committee was informed that overall, the audit was positive, noting that the project was forecast to generate a small surplus of £200,000. A small number of recommendations were raised to improve further including; Record keeping and Completeness of reports.</p> <p><b>Asset Management – Reasonable Assurance</b>  The Committee was informed that the review focused on the management of assets and associated record keeping with a particular focus on the roll-out of radio frequency (RFID) tagging process.</p>



It was noted that positive progress to introduce the RFID process at 67% with an anticipated completion date of March 2025.

There were a number of areas of improvement highlighted including; Disposal of assets, record management of new assets and the physical verification process. It was noted that the introduction of the RFID process would be expected to resolve the majority issues surrounding these.

Iwan Jones (IJ), Chair, raised concerns surrounding the 25% error rate found within the physical verification process. SC, confirmed that it was anticipated that issues raised were expected to be resolved following introduction of the RFID as well as other recommendations made.

### **Risk Management & Assurance – Reasonable Assurance**

It was reported that the review focused on risk management within the digital directorate. Overall, the processes within the digital directorate for managing risk were robust but there were a number of processes completed manually which could be improved by a more automated approach.

Lucy Windsor (LW), Head of Corporate Risk and Assurance, informed the Committee that a meeting had been scheduled with the digital directorate to transfer all risks from manual spreadsheets to the Datix Risk Module.

Dafydd Vaughn (DV), Independent Member, asked whether the traditional corporate risk approach was suited to managing digital technology risks due to the fast-paced environment SC confirmed that there was a very proactive approach to managing risk within the digital directorate and that programme risks were managed slightly differently but were well managed.

Rani Dash (RD), Director of Corporate Governance advised the Committee that the Risk Management Framework made a clear distinction between managing programme risks and business risks.

### **Long-Term Sickness Absence Management – Reasonable Assurance**

It was reported that the review took place over a sample of areas to determine compliance with the NHS Wales Managing Absence at Work Policy. Overall, a good level of compliance with the policy was found, particularly within the facilities department.

### **Follow-up of High Priority Recommendations - Advisory**



	<p>The Committee was informed that the review in undertaken annually to ensure all high recommendations are appropriately managed. It was reported that positive arrangements were found to be in place, overall, a positive report.</p> <p>The Committee <b>NOTED</b> the audit reports for assurance.</p>
<p><b>ARAC 1604/2.5</b></p>	<p><b>To Receive an Early Indication on the Head of Internal Audits Final Opinion Report</b></p> <p>Stephen Chaney (SC), Head of Internal Audit, provided the Committee with an update on the Internal Audit Final Opinion Report, noting that the number of limited assurance reports had improved, and Internal Audit was hopeful that this trend would continue, as it was seeing increased engagement and improvement as a result of previous audit recommendations, as well as greater visibility of risk management practices in place.</p> <p>The Committee <b>NOTED</b> the update.</p>
<p><b>ARAC 1604/2.6</b></p>	<p><b>To Receive and Endorse the Internal Audit Annual Workplan for 2024/25</b></p> <p>Stephen Chaney (SC), Head of Internal Audit, provided the Committee with an overview of the proposed 2024/25 Internal Audit Workplan.</p> <p>The Committee <b>ENDORSED</b> the 2024/25 Workplan in principle but agreed it would be presented back to the Committee in May for formal approval.</p> <p><b>ACTION: Secretariat</b></p>
<p><b>ARAC 1604/2.7</b></p>	<p><b>To Receive the Committee Risk and Assurance Report</b></p> <p>Lucy Windsor (LW), Head of Risk and Assurance, presented the Committee with an overview of the Risk and Assurance Report.</p> <p>It was reported that two risks have been de-escalated, there had been a reduction in the risk score and exposure of a further two risks and one new strategic risk had been identified, which was currently being worked through; a full risk assessment would be presented to the Board in May 2024.</p> <p>Seven risks were being managed outside of the agreed appetite for the risk domain, meetings with risk owners were being scheduled to deep dive the risk and put in place action plans to reduce the risk to a tolerable level.</p> <p>The Committee was informed that the Corporate Risk Register is in the process of being developed and meetings with executive directors to discuss potential operational risks had taken place. It</p>



	<p>was anticipated that the work would be completed by June and presented to the Board in July.</p> <p>The Committee <b>NOTED</b> the Report for Assurance.</p>
<b>ARAC 1604/3</b>	<b>ITEMS FOR APPROVAL / RATIFICATION / DECISION</b>
<b>ARAC 1604/3.1</b>	<p><b>To Approve the Audit, Risk and Assurance Committee Work Plan 2024/25.</b></p> <p>Rani Dash (RD), Director of Corporate Governance, presented the Committee workplan for 2024/25, noting that the workplan had been produced in line with the Committee’s Terms of Reference (ToR) and delegated responsibilities.</p> <p>The Committee was informed that it would retain responsibility for receiving and approving the Clinical Audit plan, as per the NHS Wales Audit Committee Handbook, however, the outcomes of clinical audit activity would be monitored by the Patient, Quality, Safety and Outcomes Committee.</p> <p>The Committee <b>AGREED</b> the 2024/25 Work Plan in principle but requested it come back to the next meeting for formal approval. <b>ACTION: Secretariat</b></p>
<b>ARAC 1604/3.2</b>	<p><b>To Approve the Audit, Risk and Assurance Annual Report 2023/24.</b></p> <p>Rani Dash (RD), Director of Corporate Governance, presented the 2023/24 Committee Annual Report and requested endorsement prior to submission to the Board in May.</p> <p>The Committee was encouraged by the report's content and the work undertaken throughout the year, and it thanked everyone for their efforts in submitting the required reports, allowing the Committee to receive the necessary assurance on behalf of the Board.</p> <p>The Committee <b>ENDORSED</b> the 2023/24 Annual Report and agreed that the report would come back to the next meeting for formal approval. <b>ACTION: Secretariat</b></p>
<b>ARAC 1604/3.3</b>	<p><b>Review Internal and External Audit Recommendations Tracking</b></p> <p>Lucy Windsor (LW), Head of Corporate Risk and Assurance, provided the Committee with a summary of the Internal and External Audit Recommendation Tracker - January 2024 to March 2024.</p>



It was reported that following the last reporting period, up to 31 December 2023 a further 104 recommendations had triggered as overdue resulting in 116 recommendations requiring an update.

The Committee was asked to approve the 61 recommendations that had proposed revised timescales and the 50 completed, which left a residual position of 5 medium priority overdue recommendations, three of which are from audit year 2022/23 and two from audit year 2023/24.

Iwan Jones (IJ), Chair advised that the Committee would benefit from understanding how many times recommendations had requested a revised timescale. LW committed to including that information in the next report to the Committee.

**Action: Head of Corporate Risk & Assurance**

Rani Dash (RD), Director of Corporate Governance, suggested that realistic timeframes be included in initial reports to reduce the need to extend revised timeframes as frequently. Stephen Chaney (SC), Head of Internal Audit, informed the Committee that upon finalisation of reports, it was suggested that contingency time be factored into completion dates, and that this would be reinforced.

The Committee **NOTED** the report and **APPROVED IN PRINCIPLE** the 61 revised timescale requests and 30 completed recommendations. A summary of Q4 closing position would be included in the next report for formal approval.

**ACTION: Head of Corporate Risk and Assurance.**

#### ARAC 1604/3.4

#### **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 – 20 January 2024 to 22 March 2024.

The Single Tender Action (STA) schedule contained a summary of the ten STA requests that had been submitted and approved to a total value of £1,443,455.97 excluding VAT – 20 January 2024 – 22 March 2024

- Mobile Decontamination Unit Extension
- Security
- Bespoke Cot Bed/Safe Space for Child LP
- Bespoke Cot Bed/Safe Space for Child ES
- Nurses Accommodation
- Domestic Violence and abuse (DVA) training, support and referral programme – NCN Primary/Community.
- Fibroscan Mini Machine – YYF Outpatients



- Gritting North Gwent
- Educational update for GP Practices CPD
- International Nurses Accommodation

Iwan Jones (IJ), Chair queried the increase in the number of STAs requested in comparison to the typical small number usually received. MR advised that there had been no concerns in the number of STAs requested and no trends were observed.

Dafydd Vaughn (DV), Independent Member raised concerns surrounding the STA requests for security and North Gwent Gritting. Rob Holcombe (RH), Director of Finance and Procurement reassured the Committee that market testing and cost comparisons were conducted; however, a decision was made to not formally tender.

DV asked if there was any ongoing work being done to ensure that suitable accommodation was available for nurses and international nurses in the future, and if the Committee could expect to see regular STAs. RH confirmed that Workforce was working to find a more suitable solution for nurse accommodation; however, he noted that STA requests for accommodation may be used again due to the difficulty of obtaining appropriate accommodation due to location.

DV requested that the Director of Workforce and Organisational Development provide the People and Culture Committee with a detailed update on the efforts to secure long-term accommodation for Nurses/International Nurses.

**ACTION: Secretariat and Director of Workforce and OD**

The Committee received a summary of the processes followed when completing STA requests, specifically in relation to the Community Transport Association as requested at the previous Committee meeting held 8<sup>th</sup> February 2024.

The Committee **NOTED** the report.

**ARAC 1604/3.5**

**Ratification of Financial Governance, Reporting and Control Procedures.**

Mark Ross (MR), Assistant Finance Director, presented the financial governance report and requested approval of the three Financial Control Procedures listed below.

- Accounts Receivable
- Counter Fraud Communication Strategy
- Contract Management



	<p>Iwan Jones (IJ), Chair, inquired about how credit was extended and whether a credit risk assessment/check was completed prior to advancing funds before receiving goods/services. Rob Holcombe (RH), Director of Finance and Procurement, informed the Committee that it was general policy that payments were not made in advance, and thus credit was not provided.</p> <p>It was reported that the NHS Public sector payment remained in a good position, at just below the 95% target; the non-NHS payment remained in a positive position, above 95%.</p> <p>The Committee <b>NOTED</b> the contents of the report and <b>APPROVED IN PRINCIPLE</b> the three financial control procedures but requested these be presented back to the next Committee for formal approval.</p> <p><b>ACTION: SECRETERAT</b></p>
ARAC 0802/4	<b>Items for Information</b>
ARAC 2811/5	<b>Other Matters</b>
ARAC 2811/5.1	<p><b>Items to be Brought to the Attention of the Board and Other Committees</b></p> <p>The People and Culture Committee to receive a detailed update on the efforts to secure long-term accommodation for Nurses/International Nurses.</p>
ARAC 2811/5.2	<p><b>Any Other Urgent Business</b></p> <p>No items for any other business.</p>
ARAC 2811/5.3	<p><b>Date of the next meeting;</b></p> <ul style="list-style-type: none"> <li>• Tuesday 21<sup>st</sup> May 2024 (Draft Accounts)</li> </ul>