



**AUDIT COMMITTEE**  
**Minutes of the Meeting Held on 14.3.19**  
**In the Boardroom, Carlton Court, St Asaph**

**Present:**

Medwyn Hughes	Independent Member - Chair
John Cunliffe	Independent Member
Jacqueline Hughes	Independent Member
Lucy Reid	Independent Member

**In Attendance:**

Deborah Carter	Associate Director of Quality Assurance (for Minute AC19/8.4 & 8.5)
Simon Cookson	Director of Audit and Assurance, NWSSP
Clare Darlington	Assistant Area Director, Primary Care (for Minute AC19/8.2)
Andrew Doughton	Performance Audit Lead, Wales Audit Office
Russ Favager	Executive Director of Finance
Steve Grayston	Assistant Area Director of Therapies (for Minute AC19/8.6)
Sue Green	Executive Director of Workforce and OD (for Minute AC18/8.1)
Dave Harries	Head of Internal Audit, NWSSP
Sue Hill	Finance Director, Operational Finance
Amanda Hughes	Financial Audit Manager, Wales Audit Office
Grace Lewis-Parry	Board Secretary
Dawn Sharp	Assistant Director, Deputy Board Secretary
Adrian Thomas	Executive Director of Therapies and Health Sciences (for Minute AC19/9)
Mike Usher	Engagement Director, Wales Audit Office
Steve Vaughan	Interim Director of Secondary Care (for Minute AC19/8.3)

Agenda Item	Action
<p><b>AC19/1 Opening Business and Apologies for Absence</b></p> <p>The Chair welcomed everyone to the meeting. There were no apologies.</p>	
<p><b>AC19/2 Declarations of Interest</b></p> <p>No declarations of interest were made at the meeting.</p>	
<p><b>AC19/3 Minutes, matters arising and review of summary action log</b></p> <p><b>RESOLVED:</b> That</p> <p>1) the Minutes of the last meeting of the Committee held on 11.12.18 be confirmed as a correct record subject to Minute AC18/85 recording Independent Member John Cunliffe's query in relation to the Charitable Funds Accounts;</p>	

<p>2) updates to the summary action log be recorded therein;</p> <p>3) Chair's action approval to defer the Rostering and Well-being of Future Generations reviews from this year's Internal Audit Plan be noted;</p> <p>4) the deferral of the annual review of Standing Orders pending an all Wales review of the Model being undertaken by Welsh Government be noted;</p> <p>5) the Board be recommended to approve the revised Scheme of Reservation and Delegation to enable progression of the operational schemes of delegation that sit beneath it (subject to the minor adjustments relating to paternity special leave and referencing the All Wales Policy).</p> <p>5) the arrangements for the presentation of the suite of Committee Annual reports to the Workshop on 14<sup>th</sup> May and subsequent Committee meeting on 30<sup>th</sup> May at which the Health Board's Annual Report and Accounts would be formally presented be noted;</p> <p>7) it be noted that a report on the Accountability Framework be presented to the May meeting.</p>	JN
<p><b>AC19/4 Issues discussed in previous In Committee session</b></p> <p>The Committee formally received the report in public session of those issues discussed in the private session at the meeting held on 11.12.18 which related to:-</p> <ul style="list-style-type: none"> <li>• Financial Conformance Report</li> <li>• Counter Fraud Progress Report</li> <li>• Update on Internal and External Audit Recommendations</li> </ul> <p><b>RESOLVED: That the report be received.</b></p>	
<p><b>AC19/5 Welsh Ambulance Service Internal Audit Report - Handover of Care - Health Board's Management Response update</b></p> <p>AC19/5.1 This report provided an update on the progress made against the action plan developed in response to the Welsh Ambulance Services Trust (WAST) internal audit on Ambulance Handovers at Emergency Departments 2017/18. The plan reflected the March 2019 position.</p> <p>AC19/5.2 Members welcomed the progress update and referred this to the Quality, Safety and Experience Committee for future monitoring purposes given the quality and safety issues. Whilst welcoming the reduction in Ambulance waits, Members expressed concerns regarding the associated risk transfer in terms of corridor nursing and emphasised that this should not become the norm. They also expressed disappointment at the removal of the HALO role give the value added by the role. It was noted that the Health Board had received notification from WAST that a follow up audit was to be carried out within the next three months.</p> <p><b>RESOLVED: That</b></p> <p>(1) the information on improvements made to date, and the work ongoing to move the UHB to a place where handover delays of &gt;60minutes is considered a 'Never Event' be received;</p> <p>(2) the 'best practice' status that the UHB has achieved in regards to practice in</p>	

<p>ambulance handover be recognised;</p> <p>(3) the impact on ED risk and the practice of corridor nursing at YGC and YWM be noted;</p> <p>(4) the progress made against the Audit Action Plan and the impact for patients across North Wales be noted;</p> <p>(5) the positive feedback from WAST Executive and Independent member be noted; and</p> <p>(6) the Quality, Safety and Experience Committee monitor progress going forward given the quality and safety issues in respect of hospital corridor nursing during peak times.</p>	LR/KD
<p><b>AC19/6 Special Measures Review of Expectations allocated to the Committee</b></p> <p>AC19/6.1 Following approval from the Special Measures Improvement Task and Finish (SMIF T&amp;G) Group and Health Board Chairman, it had been agreed that special measures expectations were to be allocated to the relevant committee for review, to provide updates where necessary, and to provide an assurance report on progress to the SMIF T&amp;F Group. The latest versions of the expectations allocated to the Audit Committee were presented for review.</p> <p>AC19/6.2 The Committee reviewed the log and expressed concern that the narrative supporting the action log lacked sufficient detail and clarity with regard to outcomes and requested that the Board Secretary convey this to the SMIF T&amp;F Group. Members were reminded that it was not the role of the Committee to sanction closure of any actions as this was the role of the SMIF.</p> <p><b>RESOLVED:</b></p> <p><b>That the Special Measures Improvement Framework Task and Finish Group be informed of feedback as outlined above.</b></p>	DS
<p><b>AC19/7 Internal Audit Plan 2019/20 and Internal Audit Charter</b></p> <p>AC19/7.1 The draft audit plan had been developed in accordance with mandated Public Sector Internal Audit Standards – Standard 2010 - Planning to enable the Head of Internal Audit to provide internal audit services in a way which would facilitate:</p> <ul style="list-style-type: none"> <li>• The provision to the Accountable Officer, of an overall annual opinion on the organisation's risk management, control and governance, which may in turn support the preparation of the Annual Governance Statement; and</li> <li>• Audit of the organisation's risk management, control and governance through operational audit plans, in a way which affords suitable priority to the organisation's objectives and risks.</li> </ul> <p>AC19/7.2 The Charter was produced and updated regularly to comply with the Public Sector Internal Audit Standards and was complementary to the relevant provisions included in the Health Board's own Standing Orders and Standing Financial Instructions.</p> <p><b>RESOLVED:</b></p> <p>That the draft plan for 2019/20 together with the Internal Audit Charter be approved.</p>	

### **AC19/8 Internal Audit Progress Report**

The Head of Internal Audit presented the progress report which summarised ten assurance reviews finalised since the last Committee meeting in December 2018, with the recorded assurance as follows:

- Reasonable assurance (yellow) – three;
- Limited assurance (amber) – six; and
- Assurance not applicable (blue) – one.

The report also detailed:

- Reviews issued at draft reporting stage as well as work in progress;
- Follow-up status of twenty-one recommendations reviewed in the period; and

In presenting the report the Head of Internal Audit referred to the deferment from the plan the reviews relating to Wellbeing of Future Generations (Wales) Act 2015 and Roster management (referred to earlier as reported under Chair's action) and additionally sought the Committee's approval to defer the Sustainability plan review. The following Internal Audit Limited Assurance Reports were presented for members' consideration as part of the Progress Update with the relevant officers in attendance to respond to questions:-

#### **AC19/8.1 Booking of Medical Agency Staff**

The Executive Director of Workforce and OD joined the meeting to respond to questions relating to the Review which had been completed in August 2018 with Executive approval having been received in December 2018. Auditors had highlighted inconsistent recording of information in MASDA and the Standing Operating Procedure (SOP) requirements were not always being adhered to. The Executive Director outlined the revised reporting mechanisms and ongoing monitoring arrangements that had been established together with a temporary staffing team. A limited number of staff were now authorised to contract locums and had been trained with regard to the revised SOP.

**RESOLVED:** That the update be received and the recommendations be tracked as part of the Team Central tracking arrangements.

#### **AC19/8.2 Primary Care GP Leases - Assigning Leases to the Health Board**

The Assistant Area Director joined the meeting to respond to questions regarding the Review which had been completed during October 2018 with Executive approval having been received in January 2019. The Review had identified that there was no overarching procedure through which the Health Board structured its decisions on making and identification of all costs prior to assuming lease ownership. Auditors also identified one lease which had not been formally approved by the Health Board at the time of the review but this had since been considered by the Board. The Assistant Area Director reminded Members of the overall context in terms of the issues being experience not just in North Wales but UK wide with an increasing number of lease transfers taking place over the last few years and outlined the specifics with regard to the ten buildings documented within the Audit. Members noted that single handed GP practices were only required to give three months' notice which was a set national

<p>standard. New Standing Operating Procedures were now in place across North Wales.</p> <p><b>RESOLVED:</b> That the update be received and the recommendations be tracked as part of the Team Central tracking arrangements.</p>	
<p><b>AC19/8.3 Managing the Outpatients Backlog</b></p> <p>The Interim Director of Secondary Care joined the meeting to respond to questions on the Review which was completed in November 2018 with Executive approval having been received in January 2019. The review had identified a number of issues surrounding data quality and the effective integration of systems to ensure the correct patients are on the outpatient follow-up list with those subject to formal discharge removed. During the course of the review Internal Audit had escalated details to management of patients who appeared at risk and should have been follow up. Members expressed serious concerns relating to demand and capacity and failure to manage the clinical risks effectively, and the lack of evidence and traction in terms of resolving any of the issues identified in the report despite the Board having been sighted on the issues previously. Members were concerned that the matter had not been escalated on the risk register and that the audit report stated that “there have been no reports (for oversight/scrutiny) in respect of the Outpatients Follow up Backlog by the Secondary Care Senior Management Team over a number of recent months”.</p> <p>The Committee also felt that the management response to the recommendations did not contain sufficient detail to provide assurance that the issues would be effectively resolved in a timely manner going forward. Members felt that an overarching transformational plan was needed. The Committee concluded that the matter required escalation to both Quality, Safety and Experience Committee and Board to ensure sufficient oversight and traction given the scale of the issues involved, and the need to develop both a strategic and operation plan. The recommendations were now being tracked as part of the Team Central tracking arrangements.</p> <p><b>RESOLVED:</b> That</p> <p>(1) the matter be escalated to both Quality, Safety and Experience Committee and Board to ensure sufficient oversight and traction given the scale of the issues involved, and the need to develop both a strategic and operation plan; and</p> <p>(2) the recommendations be tracked as part of the Team Central tracking arrangements.</p>	<p>MH/LR</p>
<p><b>AC19/8.4 Implementing the Falls Policy</b></p> <p>The Associate Director, Quality Assurance joined the meeting to respond to questions regarding the Review which had been completed in September 2018 with Executive approval have been received in October 2018. The review had identified that the policy had been implemented across all areas visited, with Internal Audit having identified issues of compliance with expected completion of documentation across the areas reviewed. Members acknowledged that this area of responsibility had only recently transferred to the Nursing Directorate.</p> <p><b>RESOLVED:</b> That the update be received and progress with the recommendations</p>	<p>DH/DS</p>

<p>continue to be monitored via the Team Central tracker, realigned to the Nursing Directorate.</p>	
<p><b>AC19/8.5 Concerns, Complaints and Redress - Part 6: Redress</b></p> <p>The Associate Director, Quality Assurance again was present to respond to questions following the Review which had been completed in December 2018 with Executive approval having been received in January 2019. The Corporate Concerns Team and associated processes through to completion of redress documentation had been fully compliant with expected controls, however the audit findings indicated that Operational departments' compliance in responding to claimants was not routinely adhered to and breached Statutory timelines. Members questioned the current performance with regard to holding letters and the Associate Director confirmed that arrangements were being made to centralise this process going forward. With regard to the wider operational complaints management processes, whilst there were legacy issues arrangements were improving with local complaints meetings taking place in operational areas now on a weekly basis to ensure traction, resulting in the total number of open complaints having halved in the last six months. Changes in the process had also been made with the redirection of complaints to the original source. A monthly report was submitted to the Quality and Safety Group. The recommendations were now being tracked as part of the Team Central tracking arrangements.</p> <p><b>RESOLVED:</b> That the update be received and the recommendations be tracked as part of the Team Central tracking arrangements.</p>	
<p><b>AC19/8.6 Hospital Catering and Patient Nutrition Follow up review</b></p> <p>The Assistant Area Director of Therapies East joined the meeting to respond to questions regarding the Review which had been completed during October 2018 with Executive approval having been received in December 2018. The review had identified that a great deal of work was being undertaken operationally through INCHS, however this had not been subject to formal reporting or scrutiny through the Health Board Committee structure. The findings also revealed that there were poor self-assessment scores with no evidence of how the wards were tasked with improving performance. The Assistant Area Director informed Members that touch pads to obtain patient feedback were now in place in the East and were being rolled out in the other two Areas. The limitations with only nurses completing the food chart at present were noted. The recommendations would continue to be tracked as part of the Team Central tracking arrangements.</p> <p><b>RESOLVED:</b> That the update be received and the recommendations be tracked as part of the Team Central tracking arrangements.</p>	
<p><b>AC19/9 Clinical Audit Report</b></p> <p>The Executive Director of Therapies and Health Sciences presented the report which had been prepared to address the issues raised at the Joint Audit and Quality, Safety and Experience Committee in November 2018. Members were dissatisfied that the report did not address the specific actions identified as part of previous Structured Assessments but also recommendations arising from the Joint Audit and Quality, Safety</p>	

<p>and Experience Committee meetings in both 2017 and 2018 and the lack of traction and movement to date. Expectations were for the report to set out how clinical audit would address the strategic objectives of the organisation taking a risk based approach to support quality improvement going forward. Wales Audit Office urged that a plan setting out future arrangements, together with a clinical audit plan for the year ahead be presented to the next meeting in order to satisfy the requirements in both the Annual Governance Statement and the Annual Quality Statement.</p> <p><b>RESOLVED:</b></p> <p>That a plan setting out future arrangements, together with a clinical audit plan for the year ahead be presented to the next meeting in order to satisfy the requirements in both the Annual Governance Statement and the Annual Quality Statement.</p>	<p>AT</p>
<p><b>AC19/10 Wales Audit Office Reports</b></p> <p>AC19/10.1 Wales Audit Office presented the regular audit update alongside reports finalised since the last audit committee. The update provided:</p> <ul style="list-style-type: none"> <li>• Progress relating to the financial audit and performance audit programmes.</li> <li>• The Annual Audit Plan which contained detail on the programme of work to audit the 2018/19 accounts and prospective performance audit reviews</li> <li>• The Annual Audit Report which contained the summary of work reported during 2018 and since the publication of the 2017 Annual Audit Report.</li> <li>• Use of locum and agency staff – which was a national facts only report</li> <li>• Preparation for a no-deal Brexit</li> </ul> <p>AC19/10.2 Members welcomed the intention to present the Charitable Funds Accounts to the September meeting. It was also noted that with regard to the Health Board accounts BCUHB was likely to be one of four in Wales with a qualified opinion. Members acknowledged the risks and expectations associated with the current level of deficit.</p> <p><b>RESOLVED:</b> That</p> <ol style="list-style-type: none"> <li>(1) the content of the audit progress update be noted;</li> <li>(2) the Annual Audit Plan be received;</li> <li>(3) the Annual Audit Report be received and be presented to the March Board;</li> <li>(4) the Use of locum and agency and Preparation for a no-deal Brexit reports be noted;</li> </ol>	<p>DS</p>
<p><b>AC19/11 WAO Structured Assessment</b></p> <p>AC19/11.1 The Board had considered the Structured Assessment from the Wales Audit Office and the associated management response at its meeting on 24.1.19. At that meeting Members had noted that the report contained a single recommendation which was for the Board to fully complete previous outstanding recommendations made by the WAO in 2016/2017. Some of the WAO’s previous recommendations had been closed for the purposes of the audit tracker tool, as they were being measured and monitored</p>	

<p>as part of embedded standard business processes. Discussion ensued covering mental health, concerns management, estates, the need for appropriate infrastructure to be in place for the transformational journey and the importance of getting governance right in terms of ensuring changes were made in response to WAO recommendations. The Board resolved to receive the report, accept the recommendations in the Structured Assessment, and also receive and approve the management response to the Structured Assessment - noting that actions recorded as closed would, where appropriate, be included in the relevant plans such as the Three Year Plan, Annual Operational Plan, and workforce or quality strategy and plans. Wales Audit office would seek to gain assurance that this had happened and review progress against outstanding recommendations in April 2019.</p> <p>AC19/11.2 An updated version of the management response was presented to the Committee. This version had an additional column which provided a position update regarding future monitoring arrangements.</p> <p><b>RESOLVED:</b></p> <p>That the report together with the updated management response which provides a position update regarding future monitoring arrangements be received.</p>	
<p><b>AC19/12 Audit Committee Workshop - 30.11.18 - Update report</b></p> <p>The report provided an update on the feedback and observations from the Audit Committee Workshop held on 30th November 2018. Members noted the workshop planned for the 14th May primarily to review the Committee Annual Reports. In relation to future workshops it was agreed to arrange a further date in the Autumn and to agree the agenda nearer the time.</p> <p><b>RESOLVED: That the update be noted and a further workshop be planned for the Autumn.</b></p>	DS
<p><b>AC19/13 Issues of Significance for reporting to Board.</b></p> <p>The Chair agreed to prepare his assurance report for the Board.</p>	MH
<p><b>AC19/14 Date of Next Meeting – 30<sup>th</sup> May 2019</b></p> <p>The date of the next formal meeting was noted as 30th May 2019 and Members also noted that a workshop for Members of the Committee to review the suite of Committee Annual Reports was to be held on 14th May 2019.</p>	
<p><b>AC19/15 Exclusion of the Press and Public</b></p> <p><b>RESOLVED:</b> That representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest in accordance with Section 1(2) Public Bodies (Admission to Meetings) Act 1960.</p>	