

AUDIT COMMITTEE PUBLIC MEETING DRAFT
Minutes of the Meeting Held on 29.06.20

Via WebEx - the Health Board has determined that the public are excluded from attending the Committee's meeting in order to protect public health

Present	
Medwyn Hughes	Independent Member (Chair)
Eifion Jones	Independent Member
Jacqueline Hughes	Independent Member
Lyn Meadows	Independent Member

In Attendance	
Andrew Doughton	Performance Audit Lead, Audit Wales
Dave Harries	Head of Internal Audit, NWSSP
Gill Harris	Deputy Chief Executive / Executive Director of Nursing & Midwifery
Sue Hill	Acting Executive Director of Finance
Amanda Hughes	Audit Manager, Audit Wales
Justine Parry	Assistant Director of Information Governance & Risk (left after minute AC20/34)
Dawn Sharp	Acting Board Secretary
Bethan Wassell	Statutory Compliance, Governance & Policy Manager

Agenda Item	Action
<p>AC20/30: Opening Business and Apologies for Absence.</p> <p>A private meeting with internal and external auditors was held at 9.00 am.</p> <p>No apologies were received.</p>	
<p>AC20/31: Declarations of Interest.</p> <p>No declarations of interest were made at the meeting</p>	

Agenda Item	Action
<p>AC20/32: Procedural Matters.</p> <p>AC20/32.01: The Acting Board Secretary presented the items. Members agreed that the minutes were a correct and accurate record with the exception of the record of ‘present / in attendance’ – ‘Eifion Evans’ (Independent Member) should read ‘Eifion Jones’.</p> <p>AC20/32.02: Of particular note was the new addition of the Committee Breach Log which had been included further to minute AC20/17.02 of the March 2020 Committee and as requested by an Independent Member.</p> <p>AC20/32.03: The Action Log Summary was discussed. The Statutory Compliance, Governance & Policy Manager provided Members with an update on Minute Reference AC20/13.02 and advised that a meeting with the Associate Director Health, Safety & Equality had been provisionally arranged for late July. The H&S team were currently prioritising the response to the COVID-19 pandemic (whilst also carrying a vacancy) which necessitated that the review had not been conducted. A response to the action would accompany the Legislation Assurance Framework report scheduled for the September Committee. The Performance Audit Lead, Wales Audit Office also provided an update for Minute Reference AC20/17.01 – discussions with the Acting Executive Director of Finance had highlighted three recommendations which had been agreed and would now be added to the Audit Tracker report for September Committee.</p> <p>AC20/32.04: An Independent Member raised a query on item four, Maintaining Good Governance, with regard to which principles had not been implemented in full and which were still in operation or had been stood down, noting that the Health Board had already moved away from some aspects, for example the daily bulletin to all staff. The Acting Board Secretary advised that there would need to be a further report prepared once the Command Structure closedown arrangement had been completed and that this would articulate the further changes necessary to Standing Orders as well as confirming which ‘Principles’ were still in operation. The Acting Executive Director of Finance offered to provide a written summary of the changes since the Health Emergency Control Centre (HECC) had been stood down.</p> <p>RESOLVED: That</p> <ol style="list-style-type: none"> 1. the Minutes of the last meeting of the Committee held on 19/03/20 be confirmed as a correct record (subject to the minor correction as detailed above); 2. the Committee Breach Log be noted. 3. the Summary Action Log be received and updated accordingly. 4. the changes to Standing Orders be formally noted; 	<p></p> <p></p> <p>BW</p> <p>BW</p> <p>DS / SH</p>

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<p>5. the review of the NHS Wales Guidance Note for both Audit and the Quality, Safety & Experience Committee be noted along with the Post Event Work to identify potential fraud; and</p> <p>6. Further changes required to Standing Orders as a result of the changes in structure be agreed via Chair's action.</p>	
<p>AC20/33: Issues Discussed in Previous Private Committee Session.</p> <p>RESOLVED: That the report on issues discussed in previous Private Committee be noted.</p>	
<p>AC20/34 Risk Management Strategy / Policy.</p> <p>AC20/34.01: The Deputy Chief Executive / Executive Director of Nursing & Midwifery introduced the Strategy/Policy and subsequent reports. The Assistant Director of Information Governance & Risk then proceeded to provide Members with highlights from the Strategy/Policy and the work undertaken to date. These included the simplified escalation/de-escalation procedure (from a 5 tier to a 3 tier system), the implementation of an enterprise risk management system, which was a key driver for the revision, alongside the inclusion of a Risk Management Vision Statement. The Assistant Director of Information Governance & Risk provided Members with an update on a pilot project undertaken in the East area. A further risk validation workshop was planned with the findings to go on to be considered at the Risk Management Group.</p> <p>AC20/34.02: The Chair of Audit Committee pointed out that the report failed to include the significant amount of work undertaken since 2019 and highlighted that this should be noted. The Chair further queried what guarantees were in place that this revised proposal would be any better than its predecessor, noting that issues with the previous system appeared to be around implementation, rather than the Strategy itself. An Independent Member agreed, adding that it was vital that the implementation was a success and queried whether the target dates were achievable – there were in excess of 1300 risks, what assurances were there that these would all be reviewed? The Assistant Director of Information Governance & Risk advised that the Corporate Risk team had already commenced this work; it had been part of the validation work undertaken with the East Area team. The Assistant Director of Information Governance & Risk assured Members that she was confident that the target times could be hit. Whilst the Corporate Risk team were carrying a vacancy, there had been a significant amount of interest in the post. The Independent Member noted the work done to date but highlighted there were still concerns as to whether the training could be fully implemented. The Assistant Director of Information Governance & Risk drew Members' attention to the Financial Implications of the Risk Management report coversheet which identified the requirement for further resources to ensure that the training requirements could be fully met. The Deputy Chief Executive / Executive Director of Nursing &</p>	

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<p>Midwifery went on to note that there was an acute awareness that staff did not currently fully understand the risk management process or strategy. It was important that the policy was implemented fully. A training needs analysis had been conducted and consideration was being given to externally facilitated workshops. The Health Board had previously relied upon focusing on training senior management. The implementation would now be extended to local training. The Independent Member queried whether this was realistically achievable within the next three months. The Deputy Chief Executive / Executive Director of Nursing & Midwifery confirmed that this did not include the training of all staff, just a sufficient amount so as to be confident that the Strategy could be realised. The training programme needed to be an ongoing project. The Independent Member concluded by advising that they would feel more assured after the Board had received their training session and queried whether the Risk Appetite review would be included in the session as it was a crucial element. The Deputy Chief Executive / Executive Director of Nursing & Midwifery confirmed that it would. There would be a focus on objective setting and redefining the associated risks in addition to the Risk Management training.</p> <p>AC20/34.03: The Chair asked for further feedback on the pilot that had been undertaken in preparation for moving from a 5 to 3 tier model. The Assistant Director of Information Governance & Risk provided feedback from the pilot highlighting in particular that under the 5 tier system, risks were not being successfully escalated and that the process required strengthening. The intention was to have a further validation exercise (group membership would include, the Assistant Director of Information Governance & Risk, a clinical lead and a risk lead) to ensure agreement of the risks and the scoring. The Chair asked for confirmation that escalation issues had been highlighted in the pilot and the Assistant Director of Information Governance & Risk confirmed this to be correct, and that the 3 tier approach would simplify the process.</p> <p>AC20/34.04: Members raised concern with regard to the Induction Programme for new staff and the proposal to include risk training, noting that the current programme was already very tight but added that they felt reassured that a Training Needs Analysis had been undertaken. The Assistant Director of Information Governance & Risk advised that there was a planned e-learning package, similar to the provision used for Information Governance that could be utilised instead of the induction programme.</p> <p>AC20/34.06: An Independent Member noted two issues. Firstly, the migration of the existing 1300 risks into 3 tiers and concurred with the concerns previously highlighted, though was pleased to note the successful pilot and assured by the confidence of the October 2nd target date. The second issue related to individual accountability for risks and queried what was being done to address this. The Assistant Director of Information Governance & Risk advised that this would come out of the</p>	

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<p>Governance Review and that the Risk Management Strategy strengthened the arrangements. The Deputy Chief Executive / Executive Director of Nursing & Midwifery confirmed that conversations were taking place with the Divisions and that if risks were not reviewed or escalated, they would be picked up in audits (undertaken by the Corporate Risk team). Individuals had been informed that they would be held accountable for the management of their risks.</p> <p>AC20/34.07: The Chair asked the Auditors whether there were any comments from their perspective. The Performance Audit Lead, Wales Audit Office noted that implementing a new Strategy was challenging at any time and it was important to bear in mind the wider and long term impact of the pandemic. Keeping a close eye on the delivery plan would be of crucial importance.</p> <p>AC20/34.08: The Head of Internal Audit was pleased to see that the organisation was moving forward with setting objectives. The Head of Internal Audit went on to query the all Wales programme to implement the new datix system – had consideration been given to how the two projects dovetailed? The Assistant Director of Information Governance & Risk advised that herself and the Acting Associate Director of Quality Assurance were monitoring the all Wales datix implementation plan closely. However, they were yet to be sighted or receive a national plan, which was a concern. A risk would be raised for a delayed implementation which would dovetail with Digital & Information Governance Committee risks.</p> <p>AC20/34.08: The Chair concluded by stating whilst Members were generally in agreement of adopting the strategy, there were questions remaining whether September was the appropriate time. Concerns remained with regard to the implementation plan and the timings. Members queried whether it would be preferable to defer until after the Board Workshop. The Deputy Chief Executive / Executive Director of Nursing & Midwifery highlighted that the risk would be running two systems in parallel.</p> <p>AC20/34.09: Members agreed the proposed Strategy/Policy in principle on the proviso that the Board received further training and further assurances were provided in terms of implementation dates - whether they were possible given the pandemic. The Deputy Chief Executive / Executive Director of Nursing & Midwifery asked for confirmation that this would not prevent the Risk Management team from progressing the plan (move from 5 to 3 tier) and that training should continue to take place. Members agreed and confirmed were happy to proceed on this basis.</p> <p>AC20/34.10: A further discussion ensued as to the dates for the Board Workshop. The Acting Board Secretary advised there was a planning session due on the 6th of July to discuss.</p>	<p style="text-align: center;">GH/JP</p>

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<p>The Assistant Director of Information Governance & Risk left the meeting.</p> <p>RESOLVED: That</p> <ol style="list-style-type: none"> 1. the further changes to the updated Risk Management Strategy and Policy as presented be approved; 2. the assurances given on the changes to the operational implementation of the strategy included within the Risk Management Improvement Plan be noted and that the Implementation Plan be noted and be the subject of further discussion at the Risk Workshop. 3. the change in approach for managing risk from a 5 tier model to a 3 tier mode be approved; and 4. the Board be recommended to approve the Risk Management Strategy 	
<p>AC20/35: Schedule of Financial Claims: Quarter Four of 2019/20 (over £50,000).</p> <p>AC20/35.01: Members received and discussed the report. An Independent Member suggested that the wording of the recommendation should be revised due to this being a retrospective approval.</p> <p>AC20/35.02: An Independent Member queried item C17-2852 and how the liability was attributed, noting that description indicated that the procedure was undertaken in the Countess of Chester. In addition, The member noted that the Health Board may be continuing to pay for services that it was no longer in receipt of due to the pandemic. The Deputy Chief Executive / Executive Director of Nursing & Midwifery and the Acting Executive Director of Finance agreed to seek clarity. Another Independent Member agreed, querying whether item C17-2852 was joint liability, the narrative was not clear and further information was required.</p> <p>RESOLVED: That the Schedule of Financial Claims and the payments approved be endorsed.</p>	<p>MJ</p> <p>GH/SH</p>
<p>AC20/36: Internal Audit Update.</p> <p>AC20/36.01: The Head of Internal Audit presented the reports. Members were pleased to note that this was a positive assurance opinion. However, it was important to note that if all of the reviews had been undertaken (there were twelve reviews that had been deferred from the plan this year), it could have affected the opinion. Members were also asked to note that there were thirteen draft reports awaiting sign off.</p>	

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<p>AC20/36.02: An Independent Member queried the Limited Assurance report for the Welsh Language (Wales) Measure 2011 and what assurances were in place. The Chair advised that the report had been received in Committee prior to the changes in Membership (the Independent Member was not a Member of Audit Committee at that time), with representation by the Executive lead for the Welsh Language (Executive Director of Public Health) and Workforce system leads. Members would continue to monitor progress against the recommendation via the Audit Tracker report.</p>	
<p>AC20/36.03: An Independent Member queried whether audit reports were sufficiently considered by other Committees. The Acting Board Secretary provided Members with an overview of previous discussions on this matter with the last change in process agreed by the Committee being referrals on a case-by-case basis. A discussion ensued and Members agreed that Limited or No Assurance Reports would be sent to all Independent Members to ensure their respective Committees were sighted on the issues. The Acting Board Secretary agreed to review the process.</p>	DS
<p>AC20/36.04: An Independent Member noted that any assurance remained limited until the recommendations were closed / implemented and queried how this was resolved. The Head of Internal Audit advised that Limited Assurance report recommendations were subject to follow up by auditors.</p>	
<p>AC20/36.05: The Head of Internal Audit provided Members with an update on the Audit Plan, noting that there was, due to the ongoing pandemic, a risk that the Plan might not be able to be implemented. Members were updated on the reviews that had been identified for deferral and were asked to note that the plan had recently been updated - as part of a review and discussion with the Audit Committee Chair, Mental Health & Learning Disabilities Division – Governance Arrangements had been included.</p>	
<p>AC20/36.06: A discussion ensued as to the source of reviews and whether it should be clearly documented that an Executive had specifically requested a review of a particular area. The Head of Internal Audit advised that the plan was very much driven by the corporate risk register. Both Internal and External Audit met with the Executive to discuss the plan and ensure that areas where further assurance was sought were included. Members agreed to seek the Executive views on this and the Deputy Chief Executive / Executive Director of Nursing & Midwifery suggested that this could be picked up at the Board Workshop on Risk. The Acting Executive Director of Finance provided Members with an overview of her experience of the process noting that the focus was on areas of potential weaknesses. The goal was to utilise audits in identifying potential weakness so as to enable improvement.</p>	DS

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<p>AC20/36.07: The Head of Internal Audit concluded by providing members with an overview of the Deprivation of Liberty Safeguards (DoLS) report and the specific issues. Members noted that the auditors had received excellent support from the Associate Director of Safeguarding and were confident that the issues identified would be fully addressed. The Deputy Chief Executive / Executive Director of Nursing & Midwifery also highlighted to Members that safeguarding matters were also overseen by the Quality, Safety & Experience Committee.</p> <p>RESOLVED: That</p> <ol style="list-style-type: none"> 1. the Head of Internal Audit Opinion and Annual Report be received and noted; 2. the revised Internal Audit Plan 2020/21 be approved; and 3. the Deprivation of Liberty Safeguards limited assurance report be received and noted and recommendations tracked using Team Central. 	
<p>AC20/37: Audit Wales Update Report</p> <p>AC20/37.01: The Performance Audit Lead, Wales Audit Office provided Members with an update on the COVID-19 impact on the delivery of the performance audit programme, which was under a process of regular review. All on site field work had ceased though some performance work was continuing where possible.</p> <p>AC20/37.02: The Performance Audit Lead concluded by drawing Members' attention to the All-Wales report on Wellbeing of future generations progress. The Audit Wales findings report identified the main barriers and highlighted that significant challenges still existed that would not be easy to resolve. An Independent Member advised Members that the report would be considered and reviewed at the Strategy, Partnership & Population Health (SPPH) Committee.</p> <p>AC20/37.03: The Audit Manager confirmed that she would provide her oral update in relation to the report on the annual accounts later in the private session when the accounts were presented.</p> <p>RESOLVED: That</p> <ol style="list-style-type: none"> 1. the report on the annual accounts was received. 2. the letters on the impact of Covid be received and noted. 3. the All-Wales report on the Well-being of Future Generations be received and noted. 	

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<p>AC20/38: Issues of Significance for Reporting to Board Members were asked to raise any issues of significance for reporting to the Board via the Chair's Assurance Report.</p> <p>RESOLVED: That the Chair's assurance report highlight the following matters:-</p> <ol style="list-style-type: none"> 1. That the Risk Management Strategy/Policy was approved in principle pending further assurance in terms of implementation dates. 2. That the Head of Internal Audit opinion (reasonable assurance) and annual report for 2019/20 was received 3. That the revised Internal Audit Plan 2020/21 which has been updated for COVID-19 impact was approved. 	
<p>AC20/39: Date of Next Meeting: 17/09/20</p>	
<p>AC20/40: Exclusion of Press and Public Resolution to Exclude the Press and Public - "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>	