



AUDIT COMMITTEE PUBLIC MEETING
Minutes of the Meeting Held on 10.06.21

Via Microsoft Teams - the Health Board has determined that the public are excluded from attending the Committee's meeting in order to protect public health during the pandemic.

Present	
Richard Medwyn Hughes	Independent Member (Chair)
Eifion Jones	Independent Member
Jacqueline Hughes	Independent Member
Lyn Meadows	Independent Member
In Attendance	
Louise Brereton	Board Secretary
Simon Cookson	Director of Audit and Assurance, NWSSP
Andrew Doughton	Performance Audit Lead, Audit Wales
Simon Evans-Evans	Interim Director of Governance
Sue Green	Executive Director of Workforce and Organisational Development (for Minute AC21.31)
Dave Harries	Head of Internal Audit, NWSSP
Gill Harris	Deputy Chief Executive & Executive Director of Nursing
Sue Hill	Executive Director of Finance
Amanda Hughes	Financial Audit Manager, Audit Wales (for Minute AC21.29)
Matthew Joyes	Acting Associate Director of Quality Assurance (for Minute AC21.38)
Melanie Maxwell	Senior Associate Medical Director (for Minute AC21.32)
Simon Monkhouse	Finance Audit Lead, Audit Wales
Mark Polin	Chairman of the Board (part meeting)
Denise Roberts	Financial Accountant
Dawn Sharp	Deputy Board Secretary & Assistant Director
Tom Stanford	Finance Director, Operational Finance
Rod Taylor	Director of Estates (for Minute AC21.31)
Bethan Wassell	Statutory Compliance, Governance & Policy Manager (part meeting)
Simon Weaver	Head of Financial Control (part meeting)
Jo Whitehead	Chief Executive
Mark Wilkinson	Executive Director of Planning and Performance (for Minute AC21.31)

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<p>AC21.24: Opening Business and Apologies for Absence.</p> <p>The Chair welcomed Members and attendees to the meeting. Apologies were received from Nicola Jones, Acting Deputy Head of Internal Audit and David Thomas, Engagement Director, Audit Wales.</p>	
<p>AC21.25: Declarations of Interest.</p> <p>No declarations of interest were made at the meeting.</p>	
<p>AC21.26: Procedural Matters.</p> <p>Reference was made to the breach log which captured all breaches in terms of late papers. One Member felt that there was an increasing pattern of late papers, coupled with Chair's Actions and stressed that this was not good governance.</p> <p>RESOLVED: That</p> <ol style="list-style-type: none"> 1. the Minutes of the last meeting of the Committee held on 18.3.21 be confirmed as a correct record (subject to the correction of one minor typographical error); 2. the updates to the Summary Action Log be noted; 3. the details of breaches (in terms of publication of Board/Committee papers) to the Standing Orders be noted; 4. the approval (for onward submission to the May Board) via Chair's Action of the changes to Standing Orders, the Scheme of Reservation and Delegation and Standing Financial Instructions following the updates to the Models as issued by Welsh Government be noted; 5. following discussion at the Audit workshop on 25 May it be noted that the refined management response to the External Audit Wellbeing of Future Generations Report will be circulated to Members during June. 6. the Targeted Intervention Steering Group Terms of Reference (as presented to the May Board) be noted; and 7. following on from previous discussions it be noted that an Emergency Scheme of Reservation and Delegation has been drafted and will be presented to the September meeting. 	
<p>AC21.27: Issues Discussed in Previous Private Committee Session.</p> <p>RESOLVED: That the report on issues discussed in the previous Private Committee session be noted.</p>	

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<p>AC21.28 External Audit - Audit Wales Reports</p> <p>AC21.28.1 The Performance Lead, Audit Wales presented the documents for Audit Committee which included the annual review of audited accounts and letter of representation (discussed as part of the next agenda item). The documents also included the regular audit update alongside reports finalised since the last Audit Committee. The update provided an overview of progress of the external audit programme and the performance audit reviews provided assurance and opinion on the effectiveness of arrangements in key areas as described within the reports, namely the Structured Assessment 2021 (Phase One) – Operational Planning Arrangements; Test, Trace, Protect in Wales: An Overview of Progress to Date; Welsh Health Specialised Services Committee Governance Arrangements; and Procuring and Supplying PPE for the COVID-19 Pandemic.</p> <p>AC21.28.2 In considering the reports the following points were raised/noted:-</p> <ul style="list-style-type: none"> • The performance audit work was progressing well • The follow up outpatients review was scheduled towards the end of the year due to capacity. • Funds held on Trust Audit work would start in the Autumn reporting into the December meeting of the Charitable Funds Committee. • The Structured Assessment report provided a high level summary focussed on Phase 1, with a focus on operational planning looking back at Q3/4. Members reflected that it was a very fair report. It was confirmed that the report had been shared with the full Executive Team and all recommendations were being taken forward. Members acknowledged the work of the governance review including revised templates. Members emphasised the importance of future plans needing to demonstrate the outputs. • The TTP report had been added to the programme as a result of the pandemic – it was acknowledged that the protect element of the programme was fragmented and varied across Wales and that the £500 payment to individuals who needed to isolate had generated a number of issues. The field work in relation to in-patient testing had been conducted remotely last autumn. Variances existed between sites from 20% - 50%. Independent Member Jackie Hughes queried how this compared with internal reporting and agreed to follow this up with the Deputy Chief Executive after the meeting. • WHSSC – the report had no recommendations for the Health Board and was yet to be presented to the Specialised Services Committee. The combined management response would be presented to the Audit Committee in September. 	<p>JH/GH</p>

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<ul style="list-style-type: none"> PPE – overall a report with positive findings – eight recommendations had been made to Welsh Government with none applicable to the Health Board. <p>RESOLVED: That</p> <ol style="list-style-type: none"> the progress update together with the individual audit reports as detailed above be received; and the report on the annual accounts be received. 	
<p>AC21.29 Executive Director Briefing on Financial Accounts</p> <p>AC21.29.1 At its meeting on 20.5.21, the Board had delegated authority for approval of the 2020-21 annual financial statements to the Audit Committee (Minute 21.87 refers). The audited annual financial statements required approval by the Audit Committee prior to submission to Welsh Government and the Auditor General for Wales.</p> <p>AC21.29.2 The Executive Director of Finance presented the report which provided members with a briefing on the Health Board's 2020-21 annual financial statements to ensure that members had sufficient and appropriate information to be able to approve the statements. The briefing outlined the Health Board's achievement against Welsh Government financial targets and provided an analytical review of in-year movements for both income and expenditure transactions and balance sheet balances. The Executive Director thanked both the Audit Wales Team and the Health Board's Finance Team for their commitment and hard work in preparing the accounts.</p> <p>AC21.29.3 The Health Board had a statutory requirement to prepare a set of annual financial statements in a standard format provided by Welsh Government, with the approval of H M Treasury. The annual financial statements were completed in accordance with the National Health Services (Wales) Act 2006, the Welsh Government Health Board Manual for Accounts and HM Treasury's Financial Reporting manual (FReM) in order to reflect:</p> <ul style="list-style-type: none"> International Financial Reporting Standards (IFRS); Accounting and disclosure requirements of the Companies Act 2006, where appropriate; Any other pronouncements made, or endorsed by, the International Accounting Standards Board. <p>AC21.29.4 The unaudited annual financial statements for 2020-21 had been submitted to Welsh Government and Audit Wales on 30.4.21. Following completion of their financial audit, Audit Wales had prepared an Audit of Financial Statements Report providing a summary of amendments made to the unaudited financial statements along with</p>	

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<p>recommendations arising from their audit work. The Financial Audit Manager, Audit Wales discussed the key findings from the audit, noting that they intended to issue an unqualified opinion. She thanks the Finance Team for their support during the audit. Reference was made to pension liabilities and that it was still not possible to assess what the liability might be, and as a result their opinion was required to include an 'emphasis of matter'. She noted the need in future years to improve and simplify the way the remuneration report was concluded and that Audit Wales would be working with the Finance Team over coming months to improve reporting going forward. Whilst they would be making a number of recommendations for the Finance Team to address there was nothing significant to flag as an area of concern for the Committee.</p> <p>AC21.29.5 Reference was made to Board Members' Declarations of Interests and the fact that during the audit it had become apparent that a number of declarations relevant to the financial statements had not been made. It was confirmed that all the declarations had been made but that certain information had been omitted from some Members' declarations and had to be followed up. The Financial Audit Manager confirmed that all information necessary had been submitted prior to the closure of the audit. The Board Secretary confirmed that further check and challenge would be instigated for future submissions.</p> <p>AC21.29.6 Members noted that this was to be the Financial Audit Manager's last meeting and wished her well in her future career.</p> <p>RESOLVED:</p> <p>That the Health Board's 2020-21 annual financial statements together with the Letter of Representation following consideration of the Audit Wales Audit of Financial Statements Report and confirmation of the Auditor General's intended opinion on the financial statements, be approved.</p>	
<p>AC21.30 End of Year Reporting</p> <p>AC21.30.1 The Annual Governance Statement (AGS) was part of the Health Board's statutory Annual Report to Welsh Government. Its content was in a standard format in accordance with the reporting arrangements prescribed in the Manual for Accounts. The Audit Committee had delegated authority to grant approval from the Board to submit the Statement, and all other elements of the annual report and accounts, to Welsh Government. The Annual Report would then be presented to the Annual Meeting scheduled for 29th July 2021.</p> <p>AC21.30.2 The Chief Executive thanked colleagues for their work on compiling the AGS and Annual Report and referenced the ongoing work to improve governance arrangements across the organisation, outlining</p>	

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<p>that her ambition was to achieve substantial assurance next year rather than satisfactory assurance as part of the Audit Opinion.</p> <p>AC21.30.3 In accordance with Standing Orders, all Board Committees were required to produce Annual Reports, these had been reviewed in detail by Audit Committee Members at a workshop held on 25th May 2021. The audited Charity Annual Report and Financial Statements, providing the formally reported position for the charity for 2019-20 had been approved by the Charitable Funds Committee on 8th December 2020, signed by the Auditor General on 9th December 2020 and reported to the Audit Committee for information at its 17th December 2020 meeting.</p> <p>RESOLVED: That</p> <ol style="list-style-type: none"> 1. the Annual Report be approved for submission to Welsh Government; and 2. the suite of Committee Annual Reports be received and approved. 	
<p>AC21.31 Internal Audit Report</p> <p>AC21.31.1 The Head of Internal Audit presented the progress report which had been produced in accordance with the requirements as set out within the Public Sector Internal Audit Standards: Standard 2060 – Reporting to Senior Management and the Board.</p> <p>AC21.31.2 The annual report and opinion was also presented to the Committee and had been produced in accordance with the Public Sector Internal Audit Standards: Standard 2450 – Overall Opinions.</p> <p>AC21.31.3 The progress report summarised eleven assurance reviews finalised since the last Committee meeting in March 2021, with the recorded assurance as follows:</p> <ul style="list-style-type: none"> • Reasonable assurance (yellow) – four; • Limited assurance (amber) – five; and • Assurance not applicable (blue) – two. <p>AC21.31.4 The report also detailed reviews issued at draft reporting stage, work in progress and recommendations subject to follow-up in the period. In accordance with the Public Sector Internal Audit Standards, the Head of Internal Audit (HIA) was required to provide an annual opinion, based upon and limited to the work performed on the overall adequacy and effectiveness of the Health Board's risk management, control and governance processes (i.e. the system of internal control). The outcomes of the reviews had been shared with management, however at the time of the report, some of these were still to be finalised although the draft report opinion had been used to inform the HIA opinion.</p>	

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<p>AC21.31.5 The report also appended five limited assurance reviews and discussion followed on each. The question of benchmarking with other Health Boards in terms of limited assurance reports arose. Whilst the Health Board did have more than others, Members acknowledged that a number of reports had been commissioned at the request of the relevant Executive.</p> <p>Interim Staffing</p> <p>AC21.31.6 The Executive Director of Workforce and Organisational Development joined the meeting to respond to the findings following an introduction by the Chair, who set out the context to the report in terms of why he commissioned the review specifically in the light of the earlier Audit Wales report on Interims. A long and detailed discussion took place with the following points being highlighted:-</p> <ul style="list-style-type: none"> • A new Standard Operating Procedure had been approved in March 2020, days before the pandemic was declared. • In view of the pandemic a fast track recruitment process was established which also applied to interim appointments • Significant pressures had been experienced by the Workforce Team as a result of the pandemic • Reinforcement with the Workforce Team of the priority to be attached to audit requests for information • A revised SOP had been approved in March 2021 with a clear reporting process through Executive Team and Remuneration Committee to ensure compliance. • Agencies/Suppliers of Interims had all been informed that invoices would not be paid if process had not been followed. • The Team had now built a process that should not be impacted in the event of a further pandemic • The Team had learnt from the issues over the last 12 months and had implemented the actions to address the recommendations. • Monitoring and compliance with the process was a joint responsibility between Finance and Workforce and there was an acknowledgement that the two teams needed to work in an integrated fashion • Given the ongoing pandemic it was anticipated that Interims would still be required, but the importance of following process/framework was emphasised • All recommendations arising from the Audit had since been implemented and also reported to the Remuneration and Terms of Service Committee and Executive Team. • The Regulation 28 referenced by an Independent Member received which referenced recruitment processes and the taking up of references cut across a number of issues highlighted in the Audit report. The Health Board is now reinforcing the Agency Verification requirements with spot audits of compliance built into 	

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<p>the revised process. She also confirmed that there had been no issues of harm or probity in relation to any of the appointments reviewed as part of this Audit</p> <p>AC21.31.7 The Chair stated that he appreciated the context, however the report was extremely disappointing given that the issues had been identified more than twelve months earlier. He also added that it was totally unacceptable that Auditors had difficulty in obtaining information from the Workforce Team.</p> <p>AC21.31.8 The Head of Internal Audit then questioned the rationale for future reporting of Interims being taken to Remuneration and Terms of Service (R&TS) Committee and that this potentially placed the Chair in a position of conflict given that he was a Member of R&TS. The Executive Director of Workforce confirmed that the reports had been submitted to R&TS at the request of the Chairman and that the Vice Chair of R&TS had asked her to consider reporting routes for Interim and Acting reports. Members noted that a revised proposal was being drafted which would see elements of reporting to R&TS, Finance and Performance and Strategy, Partnerships and Population Health Committees.</p> <p>Security Compliance and Violence and Aggression</p> <p>AC21.31.9 Consideration of these reports was taken together in view of the synergy between them. The Executive Director of Workforce highlighted that whilst the reports made challenging reading, the findings should not come as a surprise and that the reports did highlight areas for investment. In terms of the management actions there was clarity of what needed to be done and the Team were confident about taking the actions forward but this would require a paradigm shift in the way in which the Health Board approached Security and Prevention of Violence and aggression.</p> <p>AC21.31.10 Questions were raised about the size of the Team and whether it was sufficient for an organisation of this size. The Executive Director responded to say that the funded establishment for management of security and violence and aggression was 0.8wte, so no it was not sufficient. Since transferring to Workforce & OD, and during the pandemic, the Team had been augmented on a temporary basis and that the security service specification was been revised to have a more holistic approach to managing the risks associated with violence and aggression. Work was also being undertaken around culture and dovetailing into this was a review of how pathways of care were managed. This would however require investment to bring the Health Board to the level required. She cited an example of another Health Board used for benchmarking which was half the size of BCUHB and yet the security service had a budgeted establishment of 48wte and a service funded to iro £1.3m.</p>	

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<p>AC21.31.11 It was acknowledged that addressing the issues would involve a two-three year programme of work. The Chief Executive gave examples from her time in Australia. Finding the right people, coupled with training would be key.</p> <p>AC21.31.12 Reference was made to an incident in Ysbyty Gwynedd which had been reported in the press but had not been recorded in Datix which was concerning. A number of further points were raised as follows:-</p> <ul style="list-style-type: none"> • Whether records were kept of the number of incidents that had resulted in police action – the Executive Director confirmed that records were held in cases where the organisation had supported staff to proceed to prosecution and that these were reported to the Quality, Safety and Experience Committee. • It was acknowledged that full records of all incidents did not exist and that there was a considerable amount of work to be undertaken to ensure appropriate and timely reporting of incidents. • The organisation had historically had 0.8 whole time equivalent (WTE) managing violence and aggression. • Whilst security had been augmented there was a need to develop leadership and training to ensure a clear system of support across the whole organisation. • Pockets of good practice did exist e.g. Mental Health Services and consideration could be given to bringing these elements together • Acknowledgement that security issues were a key risk as documented within the Board Assurance Framework. 	
<p>Water Management</p>	
<p>AC21.31.13 The Executive Director of Planning and Performance and Director of Estates joined the meeting and provided an update in terms of the progress on each of the four recommendations within the report which were being monitored via the audit tracker.</p>	
<p>AC21.31.14 The Chair expressed concerns as to why it had taken an audit to identify the issues. The Director of Estates informed Members of a digitally enabled solution which was being progressed and which would flag issues. Members commented on the themes throughout the reports regarding health and safety querying whether the Board was giving them enough attention and resources based on the risks.</p>	JW
<p>AC21.31.15 The Director referred to the 2019 audit and subsequent development of a Business Case in response to the gap analysis findings. Since then the challenges of managing an ageing estate in a post pandemic world had been magnified. The Executive Director</p>	

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<p>highlighted the importance of the Estates Strategy in terms of addressing the issues. The Chief Executive agreed to take the challenge of resources versus risk back to the Executive Team for review.</p> <p>Control of Contractors</p> <p>AC21.31.15 The Director of Estates introduced the report and outlined the three recommendations and management responses which had been progressed. These would be reported through the audit tracker.</p> <p>AC21.31.15 The Head of Internal Audit thanked the Audit Committee and Office of the Board Secretary for their support in ensuring that the audit programme of work was delivered.</p> <p>RESOLVED: That</p> <ol style="list-style-type: none"> 1. the progress report, together with the Head of Internal Audit opinion and annual report for 2020-21 be received; and 2. the Limited Assurance Reports on Interim Staffing; Security Compliance; Violence and Aggression; Water Management – Statutory Compliance; and Control of Contractors be received; 3. the concerns of the Committee in respect of the Interim Staffing report be escalated to the Board via the Chair’s assurance report; and 4. the Chief Executive review the position with regard to appropriate resourcing of associated health and safety risks. 	
<p>AC21.32 Clinical Audit Plan</p> <p>AC21.32.1 The Senior Associate Medical Director joined the meeting to present the report. The Corporate Clinical Audit Annual plan for 2021/22 had not changed significantly between years due to the impact of the COVID-19 pandemic. Most audit activity had been paused at national and local levels, and these were now gradually re-starting. There had been no additional Tier 1 requirements from Welsh Government.</p> <p>AC21.32.2 Clinical Audit was an important tool to provide assurance to the Board about the quality of services and was an important mechanism to drive quality improvement and a vital part of the Health Board’s overall quality strategy, which was being developed.</p> <p>AC21.32.3 Audit measured compliance against evidence-based standards, targets or through benchmarking. Tier 1 audits were those mandated nationally; with Tier 2 audits being those considered necessary at a corporate level because of their risk profile or requirement to improve.</p> <p>AC21.32.4 Clinical Audit had an annual planning cycle, although many audits were continuous across the year. Quarterly reporting to Quality,</p>	

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<p>Safety and Experience Committee on progress against the plan was in place, with an annual report at year end to the Joint Audit and Quality, Safety and Experience Committee.</p> <p>AC21.32.5 The clinical audit process would be embedded in the overall BCU strategy for quality and improvement. The ongoing process to develop the Quality Strategy [including the Clinical Effectiveness Strategy] would include the clinical audit strategy also going forward.</p> <p>AC21.32.6 The draft plan included the breadth of topics included in the Welsh Government's National Clinical Audit & Outcome Review Plan (NCAORP). The tier 2 audits had been chosen to reflect key risks and areas for improvement identified from the risk register, claims, regulatory compliance etc. Therefore, Tier 2 audits reflected the areas where improvement needed a focus and within the Plan had been colour coded into themes. Discussion then ensued with the following points being noted:-</p> <ul style="list-style-type: none"> • Participation in the audits had improved compared to 18 months ago • Fracture liaison work was to be progressed • The Chief Executive and Executive Medical Director were in discussion regarding the plan to ensure that it was fully aligned with clinical risk as well as the requirements to respond to the Tier 1 Welsh Government requirements. Members were asked to approve the plan noting that discussion at the Quality, Safety and Experience Committee would be around ensuring the Tier 2 elements focused on risk. • With regard to resources to support the audits, this was in place in respect of the corporate work, however a business case was to be submitted for Executive approval to enhance the service. • Acknowledgement that audit activity was business as usual and that it was impossible to say what the audits might find that might require further investment. • There needed to be a systematic approach to managing clinical audit aligned with performance improvement • All Tier 1 audits were progressing with the exception of falls fragility which was to be addressed. • In relation to Tier 3 audits and learning at a local level being communicated to other areas of similar concern, the Team had seen much more engagement over the last year and the embedding of audit findings was demonstrated at clinical effectiveness meetings. • An electronic register was now in place in respect of Tier 3 audits which sent email notifications to clinical teams to ensure follow up. • Investment had also been made in a tracker to assist with the follow up of action plans. • Tier 2 audits were being linked to risk and also to incidents. 	

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<p>RESOLVED:</p> <p>That the draft Clinical Audit Plan for 2021/22 be approved noting that the Plan was to be presented to the Quality, Safety and Experience Committee in July at which there would be further discussion on the Tier 2 audits and the learning and communication of learning from Tier 3 audits.</p> <p><i>Post Meeting note: Following the meeting the Senior Associate Medical Director advised that she had been informed that Chronic Obstructive Pulmonary Disease (COPD) in Wrexham had not submitted any data (in relation to mandated audits). Arrangements have been made for a plan to be in place within two weeks to rectify the situation.</i></p>	
<p>AC21.33 Risk Management Strategy/Policy</p> <p>AC21.33.1 The Interim Director of Governance presented the report which provided a summary of key changes that had been made to the updated Risk Management Strategy and Policy. The Health Board's vision and strategic approach to risk management ensured that all staff including partners, contractors etc. who provided services with and/or on its behalf, placed effective risk management at the heart of what they did.</p> <p>AC21.33.2 The Health Board was committed to embedding a risk-based, agile, dynamic, enterprise-wide, integrated risk stratification and collaborative approach in effectively reducing and managing risks as it delivered its Annual Operational Plan for 2021/22 in a post-Covid-19 era. This would encourage staff to explore integrated, risk-based prioritisation and stratification tools in delivering more joined-up, patient focused personalised outcomes and effective allocation of resources. The Health Board's vision statement for risk management had been refreshed to reflect the new direction of travel as it navigated through recovery in a post-Covid-19 era. The Equality Impact Assessment had also been updated as part of the process of updating the Risk Management Strategy and Policy.</p> <p>AC21.33.3 The Interim Director then outlined the main changes to the Policy and drew attention to the revised risk appetite included within the Policy. The following comments were made:-</p> <ul style="list-style-type: none"> • Reference to paragraph 8.1 and ensuring consistency throughout the document • Page 5 – risk assessment – use of the term 'brain storming' – to be rephrased 'brain storming sessions' 	

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<ul style="list-style-type: none"> Page 6 – reference to contractors, staff and Trade Unions – agreed to remove the reference to Trade Unions Cover report reference to Socio Economic Duty – Interim Director to inform Members following the meeting of the actions taken. 	SEE
<p>RESOLVED: That</p> <p>1. the Health Board`s updated Risk Management Strategy and Policy be Approved for onward submission to the Board, subject to the amendments as listed above;</p> <p>2. the proposed Risk Appetite for 2021/22 be approved and recommended to the Board;</p> <p>3. the revised risk appetite for use in exceptional circumstances, recognising the appropriate governance approval route from Gold Command, be approved for onward submission to the Board; and</p> <p>4.the Interim Director of Governance inform Members of the actions taken in relation to the Socio Economic Duty.</p>	SEE
<p>AC21.34 Chair's Assurance Report - Risk Management Group</p> <p>AC21.34.1 The Interim Director of Governance presented the Chair's Assurance Report following the meetings of the Risk Management Group (RMG) which had met on 15.3.21 and 14.4.21. The Group had been quorate on both occasions with good representation. The report summarised the activity of the Group and members noted the following key assurances which had been provided at the meetings:-</p> <ul style="list-style-type: none"> Progress with the implementation of the Risk Management Strategy and Policy and supporting documentation; Progress with the implementation of the Board Assurance Framework; Continued representation and presentation of Divisional Risk Management arrangements and escalation of risks; Progress with the management of COVID-19 related risks and reporting arrangements; and Follow up of outstanding actions incorporated into future improvement plans. <p>AC21.34.2 The following points were noted in the Audit Committee meeting:-</p> <ul style="list-style-type: none"> Agreement to extend the time available for improved check and challenge; Part 2 of the Risk Management Group was to seek an understanding of the Tier 2 risks across the Health Board; Agreement that any rescheduling of dates would be highlighted. <p>RESOLVED: That the report be received.</p>	

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<p>AC21.35 Corporate Risk Register</p> <p>AC21.35.1 The Interim Director of Governance presented the report on the Corporate Risk Register (CRR) which demonstrated how the Health Board was robustly mitigating and managing high rated risks to the achievement of its operational objectives.</p> <p>AC21.35.2 The design of both the Board Assurance Framework (BAF) and CRR emphasised their distinctive roles in underpinning the effective management of both strategic and operational risks respectively. The BAF was now reported separately, appearing as the subsequent agenda item.</p> <p>AC21.35.3 Each Corporate Risk had been reviewed and updated. The following points were discussed:-</p> <ul style="list-style-type: none"> • The appendices containing the corporate risks represented the risks as presented to the previous cycle of Committee meetings – with some of the actions having moved on – all actions due in March had been completed; • Concerns expressed with regard to the timeline of reporting with agreement to revisit • Audit Committee Members wished to see the latest information • Query regarding legionella risk – need to explain any increases or decreases to make it meaningful for the Committee – further discussion would take place at the Risk Management Group • Risk 20-08 – new risk for escalation but opened in September 2020 – concern expressed about where this had been until now – Interim Director advised that this was a new risk onto the Tier 1 register • Further examination of some of the controls required – view that some were in fact actions. <p>RESOLVED: That</p> <p>1.the progress on the management of the Corporate Tier 1 Operational Risks be noted; and</p> <p>2.the Interim Director of Governance follow up on the points outlined above.</p>	SEE
<p>AC21.36 Board Assurance Framework</p> <p>AC21.36.1 The design of both the new Board Assurance Framework (BAF) and Corporate Risk Register (CRR) emphasised their distinctive roles in underpinning the effective management of both strategic and operational risks respectively, as well as underlining their symbiotic</p>	

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<p>relationship as both mechanisms had been designed to inform and feed-off each other. This included the evaluation, monitoring and review of progress, accountability and oversight of the Principal Risks and also the high level operational risks which could affect the achievement of the Health Board's agreed Priorities. These were being monitored by regular review with respective leads and oversight by the Risk Management Group and the Executive Team. Oversight and co-ordination of the BAF had transferred to the Office of the Board Secretary from the Corporate Risk Management Team, with the risk management system and process continuing to be managed by the Corporate Risk Team.</p> <p>Engagement with risk leads continued to progress well and work continued to refine and further develop the BAF to ensure it was a tool to ensure strategic risks were visible to the Board and Committees.</p> <p>AC21.36.2 The Board had updated its strategic priorities as set out within the 2021-22 Annual Plan. Due to the revised strategic priorities, some principal risks did not lend themselves to direct mapping, and had subsequently been mapped to an 'enabler'.</p> <p>AC21.36.3 The BAF was a 'live' document which continued to evolve, and has progressed with the engagement and support of the full Board. This served well going forward as the Health Board progressed and refreshed 'Byw'n iach, Aros yn iach/Living Healthier, Staying Well' and all underpinning strategies. With the refresh there would be a need to have greater focus and consideration of strategic risks in the BAF as the Health Board looked to the future in delivering its strategies. A revision of the BAF would then need to take place to link to the strategic objectives as defined in the refreshed strategy with any operational BAF risks being managed as part of the Corporate Risk Register going forward. Consideration was also being given to the potential input/engagement from the Good Governance Institute.</p> <p>AC21.36.4 It was important that the Risk Management Group became the main driver to review the risks and ensure moderation in terms of scoring and proportionality of the risks, and being able to facilitate deep dives. With this in mind a re-alignment of reporting cycles was underway. Key progress on the BAF risks was reflected within the relevant BAF risk sheets as presented.</p> <p>AC21.36.5 Specific comments were made as follows:-</p> <ul style="list-style-type: none"> Audit Wales commended the direction of travel; Planned Care risk – consideration to be given to whether clinical audit could assist 	<div>GH</div> <div>LB</div>

Agenda Item	Action
<ul style="list-style-type: none"> • Consideration was being given to a risk relating to the management of COVID and preparedness for an inquiry and whether this would sit on the BAF or CRR • Safe and Secure Environment – reference to Dignity at Work to be updated to reflect 'Respect and Resolution'. <p>RESOLVED: That</p> <ol style="list-style-type: none"> 1. the progress on the Principal Risks as set out in the Board Assurance Framework (BAF) and the comments referenced above be noted; and 2. the remapping of BAF risks to the revised Annual Plan 2021-22 be noted. 	SG(DS)
<p>AC21.37 Proposed Integrated Governance Framework</p> <p>AC21.37.1 The Interim Director of Governance presented the report, together with a series of detailed appendices. The Health Board (HB) and Welsh Government had identified governance as an area that required improvement. The Interim Director's review built on previous reviews, interviews with Board members and support from internal teams including the Office of the Board Secretary, the Office of the Chief Executive, the Executive Leadership Team and the Equalities Team. The proposed framework was intended to:-</p> <ul style="list-style-type: none"> • Ensure that the governance, performance management and risk structures were effective, efficient and robust; • Ensure clear accountability at all levels and that the Health Board created an environment for learning and safety; and • Ensure that governance standards were consistent throughout the organisation. <p>AC21.37.2 Members supported the revised framework with two small modifications as follows:-</p> <ul style="list-style-type: none"> • Audit Terms of Reference – paragraph 4.5 – review risks assigned to the Committee – the inclusion of this new paragraph was at odds with paragraph 1.6 of the Audit Committee Handbook and it was therefore agreed to delete it. • Diagram referencing Charity Committee to be amended to read Charitable Funds Committee. <p>RESOLVED:</p> <p>That subject to the correction of the two minor points listed above, the suite of documents be approved for presentation to the Board.</p>	SEE
AC21.38: Schedule of Financial Claims	

Agenda Item	Action
<p>AC21.38.1 The Acting Associate Director of Quality Assurance joined the meeting and provided an overview of the public section of the report. The Chair noted that the paper outlined the various levels of assurance and committees that had provided scrutiny. The Acting Associate Director made reference to the annual audit of claims conducted by Internal Audit each year which would be included within the next report once the audit had concluded.</p> <p>RESOLVED: That the claims and payments listed in the schedule be noted and reported to the Board as part of the Chair's assurance report.</p>	
<p>AC21.39: Issues of Significance for Reporting to Board</p> <p>RESOLVED: That the Chair prepare his assurance report for the Board.</p>	
<p>AC21.40: Date of Next Meeting: 28/09/21</p>	
<p>AC21.41: Exclusion of Press and Public</p> <p>RESOLVED:</p> <p>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>	