

Betsi Cadwaladr University Health Board

Minutes of the Audit Committee held on 12 January 2024, Boardroom, Carlton Court, St Asaph

Present	
Name	Title
Karen Balmer	Independent Member (IM), Chair
Urtha Felda	Independent Member
Dyfed Jones	Independent Member
In attendance	
Andrea Hughes	Interim Director of Finance
Carol Shillabeer	Chief Executive
Danielle Hunt	Senior Risk Management Administrator (for minutes)
Dave Harries	Head of Internal Audit
Fflur Jones	Audit Lead, Audit Wales
Glesni Driver	Head of Covid-19 Inquiry
James Risley	Deputy Executive Medical Director
Karl Woodward	Head of Local Counter Fraud Services
Matthew Joyes	Deputy Director of Quality
Nesta Collingridge	Head of Risk Management
Nicola Jones	Deputy Head of Internal Audit
Nick Graham	Associate Director Workforce Optimisation
Paolo Tardivel	Director of Transformation & Improvement
Phil Meakin	Acting Board Secretary
Rhys Blake	Associate Director of Planned Care
Russell Caldicott	Interim Executive Director of Finance
Simon Monkhouse	Audit Lead, Audit Wales
Observing	
Elin Davies	Student
Fiona Lewis	Corporate Business Officer

Agenda item	Action
OPENING BUSINESS	
AC24/1 Welcome introductions and apologies	
AC24/1.1 The Chair of the Committee welcomed everyone to the meeting.	
AC24/1.2 Apologies were received from; the Executive Medical Director - for whom the Deputy Executive Medical Director deputised, the Deputy Director of People – for whom the Associate Director of Workforce Optimisation deputised, the Interim Executive Director of Operations – for whom the Head of Covid-19 inquiry deputised, the Executive Director of Transformation and Strategic Planning – for whom the Deputy Director of Transformation and Improvement deputised and the Executive Director of	

<p>Nursing and Midwifery – for whom the Deputy Director of Quality deputised.</p>	
<p>AC24/2 Declarations of interest on current agenda</p> <p>AC24/2.1 There were no declarations of interest.</p>	
<p>AC24/3 Draft Minutes of the meeting held on 15 September 2023 and review of summary action log</p> <p>AC24/3.1 The Committee approved the draft minutes subject to the following amendments:</p> <ul style="list-style-type: none"> • Page 1 – Andrew Doughton’s job title • Page 3 – Action to be assigned to PM • Page 13 – Revise to read “ongoing post project” <p>AC24/3.2 The table of actions was updated, along with the items for closure as advised. It was noted that AC23.120 should read January 2024. The Committee sought clarity on action AC23.08.5G and were advised by the Head of Internal Audit that this related to a Limited Assurance Report on the Charitable Funds with regard to the purpose of the charity. It was agreed that the Interim Executive Director of Finance would attain the Charitable Funds Articles of Association for review at the next meeting.</p> <p>AC23.62 It was noted that the topic of sustainability would reside with the recently established Planning Population and Health Partnerships (PPPH) Committee and accordingly the action will now be closed.</p> <p>AC24/3.3 In regard to Action 9, the Committee Chair was advised that the Head of Health and Safety had confirmed the assurances provided met the criteria for reporting RIDDOR. The CEO also advised that she held regular meetings with the Health and Safety Executive who were happy with the risk assessments that were in place alongside active planning. IM – Urtha Felda noted that there needed to be a balance of good practice versus risk when trying to get people back on their feet. The CEO further added that a gap analysis was underway that would include key areas such as RIDDOR Reporting and that Internal Audit would be conducting a review of Health & Safety.</p> <p>AC23.124 – The AC chair advised that she had anticipated that, given the previous meeting’s discussion, the updated Follow up Outpatients response would have been shared with the Committee as part of the papers. On the Chair’s request a copy of the response was available for Committee Members at the Meeting.</p>	<p>RC</p>

ITEMS FOR APPROVAL OR ASSURANCE	
<p>AC24/4 Audit Committee Terms of Reference (ToR) and Cycle of Business (CoB) 24/25</p> <p>AC24/4.1 The Acting Board Secretary presented the item. He summarised the amendments to the ToR and invited members to provide any feedback.</p> <p>AC24/4.2 The Head of Internal Audit (HoIA) advised that he had raised with the Interim Board Secretary (prior to the Committee meeting) that there appeared some areas that required review to ensure the Committee Terms of Reference are in line with the Model Terms of Reference included in the NHS Wales Audit Committee Handbook. The HoIA advised that he would provide details to the Interim Board Secretary in accordance with the timelines required for the next Health Board meeting.</p> <p>AC24/4.3 Comment was also noted around the ‘<i>Committee Vice Chair</i>’ advising that the appointment nomination would be confirmed at next Audit Committee.</p> <p>AC24/4.4 The Acting Board Secretary advised the draft CoB was provided for information and would be developed further following feedback provided by the Committee.</p> <p>It was resolved that the Committee reviewed and endorsed</p> <ul style="list-style-type: none"> • the draft Terms of Reference for the Audit Committee subject to HoIA recommended amendments • the Cycle of Business for the Audit Committee. <p>agreed</p> <ul style="list-style-type: none"> • the Acting Board Secretary to update 4.2 re ‘Accountable Officer’ being ‘Chief Executive Officer’. 	<p>PM</p> <p>PM</p>
<p>AC24/5 Corporate Governance Arrangements</p> <p>AC24/5.1 The Acting Board Secretary advised meetings had taken place with the Chair and Lead Directors of each Board Committee to consider Committee Terms of Reference and Cycles of Business, which would be submitted to the Board for approval on 25th January 2024.</p> <p>AC24/5.2 The Committee was advised that a further update on the Policy on Policies consultation would be provided to the March Audit Committee meeting for review prior to submission to the Health Board. It was noted that work was ongoing to address out of date policies and standard operating procedures at the earliest opportunity and their submission for approval via the appropriate governance route. The Interim Executive Director of Finance was keen to emphasise that Policies were in place to protect staff and any amendments were important to document effectively.</p>	

<p>AC24/5.3 The Committee received assurance that the Breach Log would be regularly submitted and the Standard Operating Procedure was to be reviewed by the Acting Board Secretary, in order to provide a more robust system to ensure officers would be held to account for papers submitted late to Committees or the Health Board, in contravention of the Health Board’s Standing Orders.</p> <p>AC24/5.4 An update was provided on Declarations of Interest/Gifts & Hospitality Implementation Plan. The Head of Counter Fraud provided examples of DOIs submitted. A discussion ensued in which it was agreed that the Acting Board Secretary would enhance future DOI updates as discussed e.g. per banding declarations.</p> <p>It was resolved that the Committee</p> <ul style="list-style-type: none"> • noted acceptable assurance on the Committee governance developments update, including ToRs and COBs. • noted the latest consultation feedback on the Policy for Policies • noted acceptable assurance on the details of Breaches of Standing Orders • noted partial assurance on the Declarations of Interests/Gifts and Hospitality Implementation update report. 	<p>PM</p>
<p>AC24/6 Ombudsman Review</p> <p>AC24/6.1 The Deputy Director of Quality introduced the report and outlined the key aspects. He described ongoing work between his team and the Ombudsman, advising that the current backlog of 290 complaints which were overdue (response within 30 days) was being addressed. Assurance was provided by the Head of Risk Management that this had been identified as a new risk on the Corporate Risk Register which had been assigned to the Quality, Safety and Experience Committee (QSE) for oversight.</p> <p>AC24/6.2 It was noted that quarterly meetings are held with the ombudsman and that the CEO meets twice a year, it was also noted that the (QSE) oversee actions arising from the Ombudsman reports.</p> <p>It was resolved that the Committee noted the report</p>	
<p>AC24/7 No item</p>	
<p>AC24.8 Risk Management</p> <p>a) Assurance report RMG Corporate Risk Register</p> <p>AC24.8.1 The Head of Risk Management introduced this report and briefly</p>	

<p>summarised some progress being made with this work.</p> <p>AC24.8.2 The Head of Risk Management outlined key metrics from the Risk management performance report identifying improvements required across BCUHB, aligning this to the Risk Management Framework.</p> <p>AC24.8.3 The Acting Board Secretary summarised part of the report in relation to the corporate risk on Leadership for whom the owner is the Deputy Director of People and assure members that this risk is assigned to Audit Committee.</p> <p>AC24.8.4 Head of Internal Audit provided feedback on the adequacy of some of the controls in place for this risk.</p> <p>AC24.8.5 Action - It was agreed by the Committee and those in attendance that the risk register overview should provide more of a dashboard approach, so that movement in progress could be monitored and a RAG status included to provide instant visibility of progress or otherwise.</p> <p>b) Board Assurance Framework</p> <p>AC24.8.6 The Head of Risk Management introduced this report and briefly summarised the progress of this work.</p> <p>AC24.8.7 The Acting Board Secretary followed on from this to discuss in detail a risk involving special measures and assured the group that there is significant progress being made.</p> <p>AC24.8.8 Action – The Executive Lead for the Special Measures risk would continue to review and scrutinise the risk, in a challenged and balanced process.</p> <p>AC24.8.9 Action - It was agreed by the Committee and those in attendance that the Board Assurance Framework should provide more of a dashboard approach so that movement in progress could be monitored and a RAG status included to provide instant visibility of progress or otherwise.</p>	<p>NC</p> <p>PM</p> <p>NC</p>
<p>AC24.9 Special Measures Report</p> <p>a) Update on milestones and arrangements related to AC</p> <p>AC24.9.1 The Director of Transformation and Improvement welcomed this paper as read and introduced this report for assurance and briefly summarised some aspects of key points to members. He assured members there has been solid progress made in relation to milestones for this Committee including the appointment of permanent Board Members.</p>	

<p>AC24.9.2 Action – The Acting Board Secretary to work with the Director of Transformation and Improvement on this report specifically 21.9 policy arrangement and implementation to note some of the new timescales and capturing information correctly.</p> <p>AC24.9.3 The Committee noted that Cycle 3 commenced in the run up to the Christmas and New year period and therefore due to the reporting timetable for the committee, no milestone deadlines had become due. Assurance was received, however, that good progress was being made with cycle 3 deliverables and milestones.</p>	<p>PM/CS</p>
<p>AC24.10 Review annual accounting progress and note financial accounting timetable</p> <p>AC24.10.1 The Interim Executive Director of Finance introduced this report and briefly summarised this item and AC24.11 both together. He extracted some key points from the report for members, including positive engagement meetings with Audit Wales and preparation to close down financial accounts moving towards 31st March 2024.</p> <p>AC24.10.2 The Chair acknowledged the work done to ensure that the accounts would be produced within the agreed timeframes and took assurance from this report of the learning that had followed from the preceding financial year.</p>	
<p>AC24.11 SFI Conformance Report: period ending November 23</p> <p>AC24.11.1 The Interim Executive Director of Finance introduced this report and then the Interim Director of Finance indicated some key points from the paper to members. She then asked members to note and debate key points that were explained.</p> <p>AC24.11.2 The Interim Executive Director of Finance confirmed this item will be at Audit Committee as a standing item each time.</p> <p>AC24.11.3 The Chair commended the Interim Director of Finance for her report which was thorough and informative whilst remaining succinct. The Committee agreed that the report format and its content were of an excellent standard.</p> <p>AC24.11.4 The Committee acknowledged the work done by the Finance Team to reduce areas of non-compliance with the SFIs and in particular single tender waivers and single quotes.</p> <p>AC24.11.5 The level of Purchase Order breaches were noted and the Committee Chair suggested that a deeper dive into the reasons for this be instigated as part of the procurement, or as a standalone audit investigation by Internal Audit. Consideration to be given as to where this is best picked up.</p>	<p>RC</p>

<p>AC24.12 Key Assumptions and Judgements 23/24 Annual Accounts AC24.12.1 The Interim Executive Director of Finance provided a verbal update advising that a detailed paper would be brought to the next committee meeting.</p>	<p>RC</p>
<p>AC24.13 Counter Fraud in Year Progress Report AC24.13 Head of Local Counter Fraud Services highlighted the current reporting position of Q3 to Welsh Government.</p>	
<p>AC24.14 Internal and External Audit Tracker AC24.14.1 The Head of Risk Management introduced this report and summarised a brief update on key points before introducing the Deputy Executive Medical Director and the Associate Director Workforce Optimisation to summarise their papers.</p> <p>AC24.14.2 The Chief Executive assured the Committee members that practice moving forward, will be that the management response to Audit recommendations will be considered by the Executive Team for review and scrutiny before being added to the tracker and that progress against the recommendations will be scrutinised at Executive Team Meetings.</p> <p>AC24.14.3 It was noted that items proposed for closure required robust evidence and that actions taken needed proof of embedding in business as usual before final sign off. The HoIA commented that in order to comply with Internal Audit Quality Standards Charter, they need to follow up ALL limited, unsatisfactory and no assurance recommendations, as well as high risk recommendations in audits rated reasonable.</p> <p>AC24.14.4 In relation to the closure of audit recommendations, the HoIA advised that Executive recommendation would need to be backed by Internal audit confirmation that the evidence provided was sufficient to warrant closure.</p> <p>AC24.14.5 The Chair noted that the timing of items presented for closure needed to be considered in light of the above. It was agreed that a discussion around this would take place before the next committee meeting.</p> <p>a) Executive Medical Directorate AC24.14.6 The Deputy Executive Medical Director introduced his part of the report and assured members there are 8 recommendations proposed for closure.</p> <p>AC24.14.7 The Committee approved closure in principle subject to Internal Audit review, and then any of the closed items that are challenged be brought back to Audit Committee in March.</p>	<p>PM NC</p>

<p>b) People Services</p> <p>AC24.14.8 The Associate Director Workforce Optimisation introduced his part of the report and briefly describes that the closed items are there for any ratification from members.</p> <p>AC24.14.9 The Committee approved closure in principle subject to pending review and then any of the recommendations that are challenged to be brought back to Audit Committee in March.</p> <p>AC24.14.10 The Associate Director Workforce Optimisation described a number of open actions they have which have been reviewed over the last 12 months given changes to organisational maturity and expects a number of those actions will be submitted for closure by March Audit Committee.</p>	
<p>AC24.15 Internal Audit progress report</p> <p>AC24.15.1 The Head of Internal Audit introduced this report and briefly described some key points from the paper for members. It was noted that the management response time to the audit reports had dipped very slightly from 100% to 97% since the last report, which the committee anticipated to be a temporary glitch.</p> <p>AC24.15.2 The Deputy Head of Internal Audit further summarised and described aspects from the report including the reasonable audit models regarding digital operating model, mental health unit at YGC and the Welsh language commissioner follow up.</p> <p>AC24.15.3 The HoIA advised that the Internal Audit service was reviewed every 5 years via an external quality assurance assessor. The HoIA was very pleased to advise that the team had received the highest rating possible in these quality standards. The Chair of the Committee congratulated the Internal Audit Team on this achievement.</p>	
<p>AC24.16 Any no assurance or limited assurance reports as a substantive item</p> <p>a) Lessons Learnt</p> <p>AC4.16.1 The Deputy Director of Quality introduced this report and gave a brief description and explained that the review looked specifically at ‘make it safe reviews’ which will be rapid reviews of the most serious incidents. He also summarised some of the actions captured through the report and explained a bespoke system using the office 365 platform that is currently being progressed.</p> <p>AC24.16.2 In response to questions raised with regard to investment and ongoing maintenance of this system, the Interim Executive Director of Finance suggested this development is sighted in the Executive Team</p>	<p>RC</p>

<p>Meeting and that QSE has sight of the quality of the system.</p> <p>b) Decarbonisation AC24.16.3 The Interim Executive Director of Finance introduced this report and summarised key points to members. He described in particular the level of engagement within the decarbonisation group that sit within the IHC's and All Wales funding has been allocated by Welsh Government for decarbonisation.</p> <p>Action – The Acting Board Secretary to put decarbonisation on the PPPH Committee agenda.</p> <p>c) Waiting List Management</p> <p>AC24.16.4 The Committee were asked to note that this report went to the QSE Committee in 2022 and that members of the Committee at that time rejected the management response. Due to the changes that took place in February this report has not been brought back to the committee prior to now.</p> <p>AC24.16.5 Associate Director of Planned Care introduced this report and gave a summarised description to the members regarding outstanding actions from the internal audit into a national initiative led by Welsh Government around validation of waiting lists after Covid.</p> <p>AC24.16.6 The Head of Internal Audit recognised that progress has been made with some of the actions within this report</p> <p>AC24.16.7 The Head of Internal Audit asked for the approval of the Llandudno Orthopaedic work to which members approved.</p>	<p>PM</p>
<p>AC24.17 Auditor General's (external audit) update</p> <p>AC24.17.1 Fflur Jones of Audit Wales introduced this report and summarised key points to members.</p> <p>AC24.17.2 Simon Monkhouse of Audit Wales assured the group that Audit Wales are having periodic meetings with the Interim Executive Director of Finance and The Head of Internal Audit to keep abreast of any issues that could affect Audit this year.</p> <p>Action – The Acting Board Secretary to reflect an item for All Wales Thematic on Workforce Planning Arrangements in the PPPH CoB.</p>	<p>PM</p>
<p>ITEMS FOR NOTING</p>	
<p>AC24.18 Briefings and update sessions (as appropriate)</p> <p>Nothing reported.</p>	

CLOSING BUSINESS	
<p>AC24.19 Summary of in Committee business to be reported in public</p> <p>AC24.19.1 The Acting Board Secretary noted details of breaches, financial performance, counter fraud progress report and how we report on how we engage internal Executive Director of Nursing and Midwifery</p>	
<p>AC24.20 Summary of Key Issues</p> <p>AC24.20.1 The following matters were discussed at the Audit Committee on 12 January 2024:</p> <ul style="list-style-type: none"> • Terms of Reference were approved subject to some feedback from The Head of Internal Audit, in particular around making sure it is in line with the NHS Audit Wales Committee’s handbook. • Assurance around matters relating to Committee Governance and next steps for approval at Board. • Policy on Policies noted the Executive Team will be meeting w/c 15 January 2024 and the final document will be returning to Audit Committee in March for approval which needs to be reflected in the Special measures milestones and deadlines. • Details of breaches were reported which ongoing actions are still in place. • Declarations of interest, gifts and hospitality discussed and next steps are to make sure it is reported in a more granular way on bands of people who responded and this will be a standing item for the Corporate Governance report. • Ombudsman review noted the update and status of matters raised with the Ombudsman. • Risk Management noted updates on the CRR and BAF, generally good progress, however, more work to do in terms of RAG status. • Special Measures report noted good progress and the timelines on Policy on Policies may need to be adjusted. • Accounting progress and conformance reports to note in particular the approval of losses special payments. • Briefly spoke about Counter Fraud, however, the main report was discussed in the Private section of the meeting. • Internal Audit Tracker noted and right approach needed by the Executive Team accountability. • Internal Audit Progress report noted items reported on including deferral of the Wrexham Maelor. • Auditor Generals updates noted the work programme and allied CoB point. <p>Action – The Acting Board Secretary to work with the Audit Committee Chair, Interim Executive Director of Finance, Chief Executive and Internal</p>	<p>PM</p>

<p>Audit on the progress of the Audit Tracker report to provide assurances in future AC.</p>	
<p>AC24.21 Items to Escalate to Board</p> <p>PM – Corporate governance arrangements progressing to Board, feedback around CRR and BAF reports</p>	
<p>AC24.22 Date of Next Meeting 15 March 2024</p>	