

Betsi Cadwaladr University Health Board (BCUHB)
Confirmed Minutes of the Audit Committee
held in Public on 12 September 2024
in the Boardroom, Carlton Court, St Asaph and via Teams

Committee Members Present	
Name	Title
Karen Balmer	Independent Member (Chair of Audit Committee)
Urtha Felda	Independent Member (Vice Chair of Audit Committee)
Dyfed Jones	Independent Member (<i>part meeting – via Teams</i>)
Rhian Watcyn Jones	Independent Member (<i>via Teams</i>)
In Attendance	
Russell Caldicott	Interim Executive Director of Finance
Pam Wenger	Director of Corporate Governance
Carol Shillabeer	Chief Executive
Andrew Doughton	Audit Manager, Audit Wales
Michelle Phoenix	Performance Audit Lead, Audit Wales
Dave Harries	Head of Internal Audit
Nicola Jones	Deputy Head of Internal Audit (<i>part meeting – via Teams</i>)
Nesta Collingridge	Head of Risk Management (<i>part meeting</i>)
Jason Brannan	Deputy Director of People & OD (<i>part meeting</i>)
Gareth Evans	Senior Organisational Development Manager (<i>part meeting</i>)
Committee Support	
Philippa Peake Jones	Head of Corporate Affairs
Laura Jones	Project Support Manager (Corporate Governance)

PRELIMINARY MATTERS

AC24/116 Welcome and Apologies

The Chair of the Committee welcomed everyone to the meeting and apologies were received for Dyfed Edwards, Nick Lyons, Sjef Molmans and Fflur Jones.

On behalf of the Committee the Chair extended condolences to the Internal Audit team for the sad loss of their colleague Huw Jones and formally acknowledged Huw's contribution of audit work to the Health Board.

AC24/117 Declarations of Interest

No declarations of interest were raised at the meeting.

AC24/118 Unconfirmed Minutes of Meetings held 09.07.24 and 18.07.24

There was discussion around the format of minutes and clarity on what is being reported and recorded. The Director of Corporate Governance stated that there had been a change in support to the Committee, the aim is to address this at the Chair's Advisory Group and gain agreement that going forward minutes will highlight key matters of discussion, actions and decisions.

Action:

- AC24/118.1 The Director of Corporate Governance agreed to meet with Rhian Watcyn Jones with regards to her experience with minutes writing.

In was resolved that the Committee:

- Agreed that the minutes of the meetings held on 09.07.24 and 18.07.24 were a true and accurate record subject to the following amendment: - 18.07.24 under item AC24.103.2 where this should read 'he' rather than 'she'.

AC24/119 Matters Arising and Action Log

Operating Model

- Rhian Watcyn Jones raised a query in relation to point **AC24.101.15** in the minutes from 18.07.24 and requested clarity on the date and mechanism in relation to the Operating Model and the engagement process with Board Members. The Chief Executive confirmed that the People & Culture Committee are leading on the Operating Model stating that the programme has now been established, the end of the discovery phase is being finalised and engagement with Board Members will take place once this has been completed. It was agreed to add this action to the action log.

Trusted Assessor

- Rhian Watcyn Jones raised a query in relation to action **AC24.101.13** which refers to the Trusted Assessor, the Chief Executive confirmed that this will be covered in the Urgent and Emergency Care paper going to the Board in September and is part of the work taking place with Local Government.

Actions:

- AC24/119.1 Director of Corporate Governance / Head of Corporate Affairs to add action **AC24.101.15** to the action log.
- AC24/119.2 As requested by the Chair, actions **AC24.43.6** and **AC24.45.9** to be added to the action log from a previous version.

The Committee reviewed the action log and agreed to close the following actions: **AC24.20.1, AC24.39.8, AC24.45.12, AC24.46.2, AC24.46.3, AC24.46.6, AC24.61.2.4, AC24.80.7, AC24.86.3, AC24.90.2, AC24.91.1, AC24.94.10, AC24.95.7, AC24.98.3 & AC24.102.7.**

GOVERNANCE

AC24/120 Board Assurance Framework (BAF) and Risk Governance Arrangements

Members received the report and noted the progress in relation to risk management. In presenting the report, the Head of Risk Management highlighted:

- The five strategic risks included in the paper stating that these were approved by the Board in July 2024.
- A paper will be considered by the Executive Team in relation the alignment of the Board Assurance Framework as set out in the Annual Delivery Plan.
- Risk governance arrangements are progressing well in relation to the Internal Audit recommendations following the recent Internal Audit Report.

- The Risk Scrutiny Group, has now been established and will allow oversight of the corporate risk register prior to scrutiny by the Executive Team.
- Oversight of risk governance arrangements for each directorate and division has been progressing and the team have set up a cycle of audits based on risk maturity and work is progressing in relation to improvement plans.
- In June 24 the assessments by the Corporate Risk Team noted an improvement in overdue risks from 53% to 35%, work has taken place in relation to communication, engagement and training and progress is being made.

In discussing the report, the Committee:

- Referred to the scoring mechanism related to the risk audit results agreeing that this would be shared with the Committee to allow an understanding of the scoring matrix.
- Confirmed that staff are engaging well with risk, the team are currently delivering level 3 strategic training and requests have been made from senior managers and clinical leads for additional sessions to gain a greater understanding of risk.
- There was discussion around the high-level risks and potentially breaking those down to ensure the teams deliver the strategic objectives and provide sufficient assurance to the Board.
- Commented on whether the training will continue on an annual basis and gained confirmation that this is included in the training plan which has been approved.
- Reflected on the work completed to date and stated the need to gain a greater understanding of the risks that may prevent the organisation delivering its strategic objectives and having a clear view in terms of the action being taken to avoid those risks.
- Highlighted some issues in relation to terminology, assurance and areas with a basic risk maturity level but also provided positive feedback on the progress that has been made to date.
- Concluded that this area of work is progressing well and by the start of the next financial year the organisation should have a stronger approach to both risk and the board assurance framework. It was confirmed that the team will continue to provide updates to the Committee for assurance.

Dyfed Jones joined the meeting

Action:

- AC24/120.1 Director of Corporate Governance / Head of Risk Management to share the point scoring matrix with the Committee and possibly some examples of completed audits and improvement plans via email.

It was resolved that the Committee:

- **NOTED** the progress of the Board Assurance Framework; and
- **RECEIVED** assurance on the governance arrangements as part of the Committees responsibility.

Jason Brannan and Gareth Evans joined the meeting

AC24/121 Review Speaking Up Safely / Whistle Blowing Arrangements

Members received the report and noted the progress in relation to Speaking Up Safely. In presenting the report, the Deputy Director of People highlighted:

- The team have played an important part in developing the national approach;
- During October, Welsh Government released the Speaking Up Safely framework;
- Speaking Up Safely is a key piece of work that links to organisational culture and it was noted that funding within the directorate has been reallocated to support this;
- Plans were in place to appoint a lead guardian to oversee the guardian cohorts and lead on the provision of the service; and
- The team are currently developing an action plan and are keen to have discussions around nominating an organisational champion at Board level.

In discussing the report, the Committee:

- Referred to the data highlighting concerns around leadership and management and the need for further work in relation to quality, diversity and inclusion;
- Discussed the activity data relating to the Work in Confidence and Freedom to Speak Up as to how this can be captured as a collective, suggesting this information could be consolidated going forward to help focus on the areas of concern;
- Commented on the role of the guardians recognising that as the values and behaviours work continues there may be further incidences of people using the Speaking Up Safely process;
- Stated the need to raise awareness of the process and encourage staff to come forward;
- Agreed the need to capture the outcomes of the process to allow the team to gain a measurement of the satisfaction for users;
- Discussed the use of policies in relation to the number of concerns being raised and agreed that comparing the figures against other Health Board would be useful;
- Suggested the need for distinction between whistle blowing and counter fraud highlighting issues in relation to identification of individuals and the need to provide support in this area;
- Commented on the origin of the board effectiveness review and the insufficient arrangements at that time for raising concerns internally suggesting this needs to be addressed along with the learning from the previous process;
- Noted the observations shared stating that the aim is to implement an effective Speaking Up Safely process, there is work to be done around communication and once the lead guardian is in post, they will be able to promote the service more widely across the organisation;
- Confirmed that this item was being discussed at Audit Committee to provide assurance that there are effective policies and processes in place; and
- Agreed that a future update would consider the compliance against the policy/protocol in the context of raising concerns and Whistleblowing arrangements.

Actions:

- AC24/121.1 Deputy Director of People & OD to share benchmarking information from other Health Boards in relation to the number of concerns being raised.
- AC24/121.2 Future update to consider the compliance against the policy / protocol and particularly in the context of raising concerns and Whistleblowing arrangements.

It was resolved that the Committee:

- **NOTED** the continued development of the Speaking Up Safely approach in BCUHB.

Jason Brannan and Gareth Evans left the meeting.

AC24/122 Internal and External Audit Tracker Report

Members received the report and noted the progress in relation to the audit tracker. In presenting the report, the Director of Corporate Governance highlighted:

- Work is being developed to provide effective reporting arrangements and move forward in terms of outstanding recommendations and actions;
- Discussions have taken place with Internal Audit to ensure all actions, including historic actions have been captured and the team have developed a system where recommendations are being marked as closed subject to confirmation by Audit; these will remain on the tracker until sign off agreed by Audit and approved by the Committee;
- In reviewing progress against Internal Audit recommendations, the team will reference the progress in the Internal Audit report to provide a line of assurance;
- Confirmation that the report includes updates against recommendations that were unsatisfactory or no assurance and going forward a summary will be included to provide oversight; and
- A presentation template has been included in the papers with the aim of inviting Executive Directors to future meetings to provide an update on their recommendations and assurance in terms of progress.

In discussing the report, the Committee:

- Considered the unsatisfactory assurance recommendation on the Operating Model and it was confirmed that the programme has been established and by the end of quarter 2 the aim is to share the output of the work.
- Confirmed that the design work relating to the Operating Model has now commenced and discussions will take place with Board Members shortly.
- Referred to the presentation provided by Dave Thomas at the Chairs of the Audit Committee across Wales meeting relating to Audit tracking and agreed to share this with members.
- Discussed the recommendations that had been returned to Internal Audit for review and the Head of Internal Audit apologised for the delay confirming this would be completed ahead of the next meeting in November 24.

Action:

- The Director of Corporate Governance to share the Audit tracking presentation from the Chairs of the Audit Committee across Wales with members.

It was resolved that the Committee:

- **NOTED** the current position with regards to open recommendations, those proposed for closure, and 'no', 'unsatisfactory' and 'limited' assurance recommendations;
- **APPROVED** the agreement made between the Director of Corporate Governance and Internal Audit relating to those recommendations listed as 'Closed – Verified' on the TeamMate update; and
- **AGREED** to nominate an Executive Director to provide an update on their open 'no/limited/unsatisfactory' assurance recommendations at the November meeting.

AC24/123 Director of Corporate Governance Update on Open "Limited" Audit Recommendations

Members received the report and noted the progress in relation to risk management. In presenting the report, the Director of Corporate Governance highlighted:

- The presentation template had been discussed at the Executive Team for agreement on the approach in advance of Audit Committee; and
- Made reference to the progress against the limited assurance reports in terms of risk management, standards of business conduct and the progress to date.

In discussing the report, the Committee:

- Specified the need to be more detailed in terms of timescales and the progress being made in relation to the civica system and the standards of business conduct policy.
- Stated that the template provides consistency around the level of information and assurance being reported and agreed to include additional information;
- Discussed which Executive Director should be invited to present at the next meeting;
- Stated that this process is a welcome addition and would allow the Committee to hold people to account.
- Agreed that this process would assist the Directorate and Service Performance Reviews and highlight areas of concern where additional support is required.
- Referred to the current challenges in relation areas of work such as the systems of internal control and the need to provide insight into the factors that are delaying progress being made.
- Queried recommendation 1274 which appeared to have been removed from the tracker.

Actions:

- AC24/123.1 The Director of Corporate Governance to add additional column in the chart highlighting the recommendation number to be able to cross reference the information in the presentation with the report and also to provide additional narrative in relation to the barriers to implementation section as necessary.
- AC24/123.2 The Interim Executive Director of Finance agreed to be the Executive Director presenting at the next meeting.
- AC24/123.3 The Director of Corporate Governance to review the audit tracker and confirm the position in relation to recommendation 1274.

It was resolved that the Committee:

- **NOTED** the progress against the limited assurance recommendations for the Director of Corporate Governance; and
- **AGREED** to use this format subject to minor amendments going forward

Nesta Collingridge and Nicola Jones left the meeting

AC24/124 Update on Health Board Policies and Written Control Documents (WCDs)

Members received the report and noted the progress in relation to risk management. In presenting the report, the Director of Corporate Governance highlighted:

- Work is taking place across the organisation to reduce the number of policies and the Executive Team have established a Policy Oversight Group to focus on making progress in this area;
- The report is presented to provide assurance in terms of the approach and will come back on a bi-annual basis to allow the Committee to have oversight of the progress being made;
- An amendment to the policy on policies document was also highlighted.

In discussing the report, the Committee:

- Suggested ensuring policies are accessible and being used as required and also requested an updated position in terms of the figures included in the report.
- Commented on the high volume of policies within the organisation,
- Highlighted an element of the structured assessment which relates to the Health Board being aware of the policies required to safeguard the organisation and those areas that may provide greater risk.
- Emphasised the difference between policies and procedures and what level of scrutiny is required. The Director of Corporate Governance invited the Head of Internal Audit and Deputy Head of Internal Audit to join the Policy Oversight Group to provide some guidance.

Actions:

- AC24/124.1 The Director of Corporate Governance agreed to provide clarity outside of the meeting in terms of the most up to date position on the summary of overdue WCDs.
- AC24/124.2 A summary to be provided at the next meeting as to which policies carry the biggest risks (financial, legal compliance, safety etc) and progress being made against them.
- AC24/124.3 It was agreed that further work is required to put mechanisms in place and establish a process on the review of policies and procedures and an update will be provided in the future.
- AC24/124.4 Head of Internal Audit and Deputy Head of Internal Audit to join the Policy Oversight Group to provide some guidance.

It was resolved that the Committee:

- **NOTED** the current status of all out-of-date policies and WCDs;
- **NOTED** the policies and WCDs that will become overdue per quarter in 2024/2024; and
- **APPROVED** the change in the approval process for all Health Board-wide clinical or non-clinical policies, including those with an element of medicine management.

AC24/125 Update Report on Structured Assessments

AC24/125.1 Members received the report and noted the progress in relation to historic structured assessments undertaken by Audit Wales. In presenting the report, the Director of Corporate Governance highlighted:

- Work that has taken place to provide an update position in relation to historic structured assessment recommendations.

In discussing the report, the Committee:

- Supported the closure of the historic recommendation 7 relating to 2019 following confirmation from Audit Wales;
- Noted the progress updates against outstanding recommendations from 2022 and 2023.

Action:

- AC24/125.1 It was agreed that a deadline date and a target date for completion against the historic structured assessment recommendations would be included along with updates in the audit tracking report in future.

It was resolved that the Committee:

- **NOTED and AGREED** the recommendations which have been confirmed as completed, closed, or superseded; and
- **NOTED** the progress and position in respect of those recommendations that currently remain open.

AC24/126 Audit Committee Development Plan

AC24/126.1 Members received the report and the contents of the proposed development plan. In presenting the report, the Director of Corporate Governance highlighted:

- The proposal to hold one-hour sessions in between Committees as an educational development programme for members. The sessions would cover areas such as Counter Fraud, Internal and External Audit with the aim of upskilling members and allowing the Committee to work more effectively going forward.

In discussing the report, the Committee:

- Considered the content of the sessions and arranging relevant sessions in a timely manner such as holding a session on the accounts during the relevant period.
- Noted that some subjects proposed should be part of induction e.g. The role of Internal and External audit rather than within the Committee development plan.
- Suggested including topics related to changes in legislation and areas of accountability within the system and gaining an understanding of where items sit in relation to other areas within the Health Board such as the Speaking Up Safely item and where that sits within the wider remit to provide members with some additional context.
- Reflected on the role of the Committee in terms of its relationship with other Committees for example, in the past a Joint Committee has been held with Audit and QSE to review clinical audit outcomes.

Action:

- AC24/126.1 It was agreed to schedule the development sessions and to review the content of the programme interlinking this with the cycle of business.

It was resolved that the Committee:

- **NOTED and AGREED** the proposal to hold bi-monthly development sessions; and
- **AGREE** the proposed topics (under review) for the sessions going forward

INTERNAL AUDIT

AC24/127 Internal Audit Progress Report

Members received the report and noted the progress in relation to Internal Audit. In presenting his report, the Head of Internal Audit highlighted:

- The team produced the report in line with the original date of the Committee due to be held on 03.09.24 therefore the cut-off date for the data was 12.08.24.
- Two reports have been issued as final with reasonable assurance in relation to the follow up of “Recruitment of substantive and interim executive and senior posts” and “Value Based Healthcare”.
- The Fire Safety report is awaiting response and is based around operational compliance with statutory training which is an area of risk for the Health Board. Work is ongoing in relation to the Orthopaedic Surgical Hub; the team are awaiting a revised management response and this was noted as a limited assurance report particularly in relation to the governance arrangements.
- The other reports are in progress and are due to be released by the end of September 24.

In discussing the report, the Committee:

- Noted and approved the deferral of three audits to 2025/26 which had been included in the audit plan 2024/25.
- Noted the addition of; Consultant Job Planning to the 2024/25 audit plan.
- Referred to the Civil Contingencies Act, stating that this is a significant risk area for the Health Board as a Category One Responder that will require some additional assurance from the Executive on progress.
- Highlighted the Chief Executive’s concern in this area noting that this has been included in the Annual delivery Plan as a priority.
- Noted that the topic of Emergency Preparedness, Resilience and Response has also been included on the agenda for the October meeting of the Planning, Population Health and Partnerships Committee and feedback will be provided to the Audit Committee.
- Agreed that a review on Consultant Job Planning would be added to the 2024/25 internal audit plan;
- Noted that the management response time had remained static but was moving towards target.
- Highlighted that the second six-month plan has been developed and proposed that this would be circulated to members before coming back to the Committee in November for formal presentation.

Actions:

- AC24/127.1 Head of Internal Audit to share the draft internal audit report in relation to the Orthopaedic Surgical Hub, Llandudno with the Chief Executive and the Director of Corporate Governance.
- AC24/127.2 Agreed that EPRR/Civil contingencies will go to the Planning, Population Health and Partnerships in October and feedback on the discussion will be provided back to the Audit Committee.
- AC24/127.3 The Head of Internal Audit to circulate the second six-month Audit Plan to members before coming back to the Committee in November 24 for formal presentation.
- AC24/127.4 To consider options for raising awareness and understanding of internal audit.

It was resolved that the Committee:

- **RECEIVED** the progress report; and
- **APPROVED** the changes to the plan for the People & OD Strategy, Civil Contingencies Act, Concerns and Complaints and Consultant Job Planning reviews

EXTERNAL AUDIT

AC24/128 External Audit Progress Report

Members received the report and noted the progress in relation to External Audit. In presenting the report, the Audit Manager and Performance Audit Lead for Audit Wales highlighted:

- The final accounts memorandum is due to be issued and engagement with Charitable Funds has commenced ahead of the audit due at the end of January 2025.
- The deep dive work on financial efficiencies has now been issued in draft and the background research work on the structured assessment has commenced.
- Reference was made to the consultation relating to fee scales in terms of daily charge and quantum of work and the uplift of around 2% and it was agreed that the document would be shared with the Committee.

In discussing the report, the Committee:

- Highlighted an error in the report where reference was made to the Trust rather than the Health Board;
- Noted the very tight deadline for the completion of the charitable funds audit and the need to submit the annual return to the charity commission by the 31st January, and
- Noted the update from the Chief Executive confirming the reset of Executive Director roles stating that Imran Devji is now the Interim Chief Operating Officer and Gareth Evans is now the Interim IHC Director (Centre)

Action:

- AC24/128.1 The Audit manager for Audit Wales to share the consultation on the Fee Scale for 2025-26 with the Committee.
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It was resolved that the Committee:

- **NOTED** the update from Audit Wales
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FOR INFORMATION

AC24/129 Audit Wales Community Pharmacy Data Matching Pilot Welsh Government Response

The Director of Corporate Governance confirmed that the report is for information and is part of a national piece of work that is ongoing. It was noted that the Chief Pharmacist's office and the Counter Fraud Team were reviewing their arrangements to minimise the risk of fraud and that this work would be brought to the Committee for assurance.

Action:

- AC24/129.1 It was agreed to add the item to the forward workplan for the January 25 meeting.

It was resolved that the Committee :

- **NOTED** the content of the Welsh Government's response to Audit Wales' community pharmacy data matching pilot.

AC24/130 Summary of Business to be Reported from Private

It was resolved that the Committee **NOTED** the report.

AC24/131 Committee Cycle of Business and Forward Workplan

The Director of Corporate Governance confirmed that the cycle of business has been mapped to HFMA NHS Audit Committee Handbook and the forward workplan will remain active.

CLOSING BUSINESS

AC24/132 Agree Items for Referral to Board / Other Committees

It was resolved that the Emergency Preparedness, Resilience and Response (EPRR) would be referred to the Planning, Population Health & Partnerships Committee.

AC24/133 Review of Meeting Effectiveness

In discussing the item, the Committee:

- Noted that the meeting had been effective with good focus on the appropriate areas.
- Requirement to close the loop on items that are referred to other Committees to ensure items are being taken forward.
- Noted by Internal Audit that progress is being made in relation to the board assurance framework and there is a need to strengthen how the Board and Committees take this forward to achieve the strategic goals of the organisation.
- Highlighted by External Audit that challenge had not been as constructive in the past however there is now a more transparent approach and the Committee should continue to embrace this to support improvement and provide confidence in the systems and arrangements in place.
- Noted that there had been a high level of challenge and support and issues are being discussed in a more confident and appropriate manner.
- Further work is required in terms of how people interact with the Committee and inviting the relevant people to join future meetings will help to shape this.
- Lastly it was noted that the sound was difficult via Teams.

AC24/134 Date of Next Meeting

Tuesday 5th November 2024, 9.30-13.30

AC24/135 Resolution to Exclude the Press and Public

'Those 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'