

Betsi Cadwaladr University Health Board (BCUHB)
Confirmed Minutes of the Audit Committee
held in Public on 16 January 2025
in the Boardroom, Carlton Court, St Asaph and via Teams

Committee Members Present	
Name	Title
Karen Balmer	Independent Member (Chair of Audit Committee)
Dyfed Jones	Independent Member
Rhian Watcyn Jones	Independent Member
In Attendance	
Russell Caldicott	Interim Executive Director of Finance
Pam Wenger	Director of Corporate Governance
Simon Cookson	Director of Audit and Assurance
Nicola Jones	Deputy Head of Internal Audit
Fflur Jones	Performance Audit Lead, Audit Wales
Michelle Phoenix	Financial Audit Manager, Audit Wales
Danielle Timmins	Head of Counter Fraud
Glesni Driver	Head of Covid-19 Inquiry and Thirlwall Inquiry
Carol Shillabeer	Chief Executive (<i>part meeting</i>)
Imran Devji	Interim Chief Operating Officer (<i>part meeting</i>)
Mike Parry	(<i>part meeting – via Teams</i>)
Gareth Evans	Central IHC Director (<i>part meeting – via Teams</i>)
Naomi Holder	Central IHC Director of Nursing (<i>part meeting – via Teams</i>)
Adam Mackridge	Strategic Lead for Community Pharmacy (<i>part meeting – via Teams</i>)
Chris Stockport	Executive Director of Transformation & Strategic Planning (<i>part meeting</i>)
Nicola Eatherington	Assistant Area Director (<i>part meeting</i>)
Sreeman Andole	Interim Executive Medical Director (<i>part meeting – via Teams</i>)
Nick Graham	Associate Director of Workforce Optimisation (<i>part meeting - via Teams</i>)
Matthew Joyes	Deputy Director for Legal Services (<i>part meeting – via Teams</i>)
Committee Support	
Philippa Peake Jones	Head of Corporate Affairs
Laura Jones	Project Support Manager (Corporate Governance)

PRELIMINARY MATTERS

AC25/01 Welcome and Apologies

The Chair of the Committee welcomed everyone to the meeting and apologies were received for Urtha Felda and Dave Harries. The Chair extended well wishes to Dave Harries on behalf of the Committee.

AC25/02 Declarations of Interest

No declarations of interest were raised at the meeting.

AC25/03 Unconfirmed Minutes of Meetings held 05.11.24

It was resolved that the Committee:

- **AGREED** that the minutes of the meeting held on 05.11.24 were a true and accurate record.

AC25/04 Matters Arising and Action Log

There was discussion around the action log and the following was agreed:

- Actions that have the lead noted as Andrea Hughes should be transferred over to Denise Roberts.
- If there is a delay in completing an action within the timescales, an explanation should be included to state why there has been a delay and what action is being taken.
- Where documentation is circulated to members outside of the meeting in relation to an action, these actions should remain open until the Committee have agreed that the documentation provided either closes the action or further information is required.
- In relation to documentation circulated outside of the meeting, it was agreed to make this available via links included in the action log.

Internal Audit Progress Report

- There was discussion around action AC24/127.2 and it was agreed to keep the action open until the item focussing on EPRR Risks had been considered by the PPHP Committee at the meeting on 18.02.25.
- In relation to action AC24/127.4 and raising awareness of internal audit, it was confirmed that a video has been developed with input from Dave Harries and shared with the Chair. There is a need to introduce a communication plan across the organisation to understand how the audit plan will be developed. It was agreed to share the video with the Committee and provide an update at the next meeting in relation to the communication plan. Action AC24/127.4 on the action log to be updated to reflect this.

Trusted Assessor

- There was discussion around actions AC24/145.1 and AC24/101.13 relating to the role of the Trusted Assessor. It was agreed that further information is required, the current actions would be closed and a new action opened to hold a Board Development session focussing on the role of the Trusted Assessor.

Action:

- **AC25/04.1** Board Development Session focussing on the role of the Trusted Assessor to be arranged.

The Committee reviewed the action log and agreed to close the following actions: AC24.99.8, AC24.99.9, AC24/145.1, AC24/145.2, AC24/146.1, AC24/147.1, AC24/147.3, AC24/147.4, AC24/147.5, AC24/154.1, AC24/154.3 & AC24.101.13.

These actions were approved for closure following consideration of the papers presented to the Committee: AC24.43.6, AC24.57.7.5, AC24.94.9, AC24/124.2, AC24/146.2, AC24/153.1, AC24/153.2 & AC24/154.4.

GOVERNANCE

AC25/05 Update on Outstanding Audit Recommendations

Members received the presentation and the Interim Chief Operating Officer highlighted:

- There has been a decrease in the number of limited assurance level open recommendations since September 2024.
- A number of key actions have been taken in relation to discharge arrangements including integrating processes and workstreams, with a plan to submit all outstanding audit actions for closure by the end of February 2025.
- Once the backlog has been cleared, the plan is to deal with any additional issues via the Operational Leadership Team and ensure systematic checks are in place.
- The IHC Leadership Team have been working on the volume of open complaints with support from Audit Wales.
- Following an internal audit review of historical recommendations relating to effective governance at Ysbyty Gwynedd, the recommendations have all been approved for closure.
- The discharge policy has been completed and presented to the Urgent and Emergency Care Improvement Programme Board which includes membership from partner organisations. Going forward this will allow close working with Local Authority colleagues to ensure an integrated approach is adopted.

In discussing the presentation, the Committee:

- Highlighted the length of time that some of the recommendations have been pending approval. It was confirmed that there has been a lack of traction in relation to historic audit recommendations and progress is being made to gain approval and provide assurance.
- Noted that the Local Authorities are beginning to move forward with partnership working.

The Central IHC Director and Central IHC Director of Nursing provided an update in relation to the Final Audit Report on Effective Governance (IHC Central) highlighting:

- The amount of work that has been completed to date by the team to deal with the recommendations, provide stability and ensure delivery of the actions.
- A number of areas required support to gain grip and control over the significant volume of open complaints. The initial focus was on volume rather than compliance to ensure processes and structures were in place.
- The live figure was confirmed as 72.5% of complaints closed which is close to the target of 75%.
- A high volume of complaints have been closed within a 30-day period which has increased the compliance rate and the team were thanked for their work.
- The team are now aware of the hot spots and are working to ensure robust, high-quality responses are being sent out to patients and families within the shortest time possible ensuring open lines of communication during that time.
- This will remain an area of focus, there is now an understanding of the themes and a reduction in the severity of complaints.

In discussing the update, the Committee:

- Acknowledged the improved position and congratulated the team on the work completed to reach this point.
- Queried whether the themes are comparable with the other IHCs and across the organisation to provide potential prevention. It was confirmed that the key themes are around access to services and surgery, patients understand there are long waits but request regular communication from the Health Board. Further work is required to assess harm to patients on extensive waiting lists and address clinical prioritisation.
- Referred to the item on the agenda relating to Learning from Events (LfERs) and queried what assurance could be provided that these issues are being addressed. It was confirmed that there has been a recent focus on Nationally Reportable Incidents (NRIs) which has resulted in a reduction in NRIs. There is a need to provide the same focus and scrutiny on LfERs and there are plans in place over the next six months to manage these following the same process.
- Noted that communication with patients is key to ensure they understand why they are waiting and how long this is likely to be.
- Suggested the learning from the Final Audit Report on Effective Governance (IHC Central) is shared with the other IHCs and pan BCU.

Action:

- **AC25/05.1** Learning from the Final Audit Report on Effective Governance (IHC Central) to be shared with the other IHCs and pan BCU.

It was resolved that the Committee:

- **RECEIVED** the presentation.
- **NOTED** the Central IHC formal complaints positional update.

AC25/06 Update on Open Audit Recommendations

Members received an update on the following audit reports to provide a level of assurance that responses and updates have been received by the Committee:

Audit Wales Community Pharmacy Data Matching Pilot

The Strategic Lead for Community Pharmacy highlighted:

- A letter from Welsh Government was received in September 2024 based on a pilot completed by Audit Wales reviewing possible opportunities for fraud within Health Boards across Wales.
- Some issues were identified by Audit Wales and responses from the Health Board were required for assurance that appropriate systems are in place to prevent losses. The paper highlights the need for additional checks relating to unnecessary / inappropriate prescribing and loss or fraud relating to expensive medicines.
- This is now being monitored with Medicines Management and Counter Fraud and a dashboard has been developed to support this work.

In discussing the update, the Committee:

- Suggested this is picked up as part of the Counter Fraud work to provide an additional level of assurance back to the Committee.

- Agreed this will be reviewed by the Head of Counter Fraud and an update will be provided as part of the Counter Fraud Progress Report.

Final Audit Report on Llandudno Hospital Orthopaedic Surgical Hub

The Executive Director of Transformation & Strategic Planning and the Assistant Area Director highlighted:

- Out of the 6 open recommendations, 2 remain open and 1 is expected to close over the coming days.
- Recommendation 8.1 relating to a review of the capital manual procedures is progressing but not completed to date.
- Recommendation 5.1 relating to the project bank account is due to close shortly.

In discussing the update, the Committee:

- Referred to recommendation 8.1 and suggested that virtual sign off could be introduced under the Standing Financial Instructions (SFIs) as the Scheme of Reservation and Delegation (SoRD) is currently being reviewed. This would need to be discussed further outside of the meeting to ensure compliance with the processes and governance ahead of being used for other capital programmes.
- Referred to recommendation 5.1 and discussed the issues relating to not having a project bank account. It was suggested that this could be a regulatory issue and a potential breach of the SFIs therefore there is a need to follow up the governance element of the lack of bank account and report back to the Audit Committee if this is a breach. Withholding payment to the contractor until the account is opened may be an option if necessary.

Final Internal Audit Report on Consultant Job Planning

The Interim Executive Medical Director and the Associate Director of Workforce Optimisation highlighted:

- The organisation has more than 1200 doctors and 834 of those employees require a level of job planning as this is a contractual agreement.
- The vision for the workforce plan is to reduce non contractual pay and address demand and capacity within the specialties.
- The underpinning issues have led to a lack of assurance in relation to the medical workforce having sufficient job plans in place.
- The aim is to implement a similar system to the current e-rostering system used for nursing staff.
- The report has identified a range of recommendations and monitoring and evaluation of progress against the action plan is due to start from March 2025.
- Work has commenced in relation to reviewing data quality to allow the system to capture the required information to provide assurance to the organisation.
- The team are aiming to have 90% of job plans completed by the end of the year and workstreams to address this have commenced.
- Discussions have taken place with the Joint Local Negotiating Committee (JLNC) and concerns have been raised regarding contractual obligations for employees. The JLNC will join the working group that is being developed and the draft policy is being revised to ensure progress can be made in terms of implementation.
- The aim is to improve efficiency and productivity and it was noted that this continues to be a difficult area to address across all Health Boards in Wales.

In discussing the update, the Committee:

- Suggested that the report is taken through the People & Culture Committee in terms of progress and oversight and returned to the Audit Committee with the findings early in the new financial year.
- Highlighted that this will form part of the value and sustainability work which includes areas such as rota management and temporary staff utilisation to provide a more structured approach.
- Undertook to alert the Board of the current position.

Actions:

- **AC25/05.1** Head of Counter Fraud to review the Audit Wales Community Pharmacy Data Matching Pilot and provide an update as part of the Counter Fraud Progress Report.
- **AC25/05.2** Review introducing virtual sign off for capital programmes under the SFIs as part of the review of the SORD.
- **AC25/05.3** Follow up the governance element of the lack of a project bank account, if it is considered to have been a breach of SFI's then report back to the Committee.
- **AC25/05.4** Progress and oversight of the Final Internal Audit Report on Consultant Job Planning to be monitored by the People and Culture Committee referring back to the Audit Committee in six months' time.

It was resolved that the Committee:

- **NOTED** the response provided from the Health Board's Chief Pharmacist's Office and Local Counter Fraud Specialist in relation to the Audit Wales: Community Pharmacy Data Matching Pilot.
- **NOTED** the update on the Final Audit Report on Llandudno Hospital Orthopaedic Surgical Hub.
- **NOTED** the update on the Final Internal Audit Report on Consultant Job Planning.

AC25/07 Update Report on Internal and External Audit Recommendations

Members received the report and noted the progress made to date. In presenting the report, the Director of Corporate Governance and Head of Covid-19 and Thirlwall Inquiry highlighted:

- The team have recently been dealing with historic recommendations and are now in a position to address the process for managing current audit recommendations going forward.
- There is an aim to move from a manual to an electronic system in the near future.
- Officers are being brought into this space which provides assurance to the Committee in terms of dealing with limited assurance reports. It was recommended that the Executive Director of Nursing or Executive Director of Public Health are asked to present at the next meeting due to the level of limited assurance reports in these areas.
- Appendix 1 includes a summary of audit recommendations that are proposed for closure and these will be processed via the current procedure.
- Issues have been identified by internal audit that some evidence provided has not been robust enough to close recommendations therefore this will be an area of focus.

In discussing the update, the Committee:

- Commented on the number of recommendations that have to be returned due to insufficient evidence. It was suggested that a level of understanding is required in terms of the purpose of Internal Audit and the need to provide assurance to the Audit Committee in relation to the evidence provided.
- Highlighted the importance of keeping track of the limited assurance recommendations to ensure they progress.
- Queried access to the most recent data, it was confirmed that the process is a lengthy process due to the need to provide assurance around the closure approval of recommendations by the Executive and the Executive Team.

Action:

- **AC25/07.1** Invite the Executive Director of Nursing or Executive Director of Public Health to provide an update on their Internal and External Audit Recommendations at the next meeting.

It was resolved that the Committee:

- **NOTED** the current position with regards to open recommendations, those proposed for closure, and 'unsatisfactory' and 'limited' assurance recommendations.

AC25/08 Historical External Audit Recommendations

Members received the report and noted the progress made to date. In presenting the report, the Director of Corporate Governance and Head of Covid-19 and Thirlwall Inquiry highlighted:

- The team have been reviewing the historic recommendations referring to the Structured Assessment and gaining assurance via External Audit.
- Appendix 1 highlighted the pre 2022 audit recommendations and Audit Wales have supported the closure of these recommendations.
- In relation to the Board Effectiveness Review, there were some recommendations that were suggested for closure and it was confirmed that the remaining recommendations would be followed up as part of the Structured Assessment.
- Triangulation is required with the 2024 Structured Assessment to ensure any recommendations transferred are kept open and monitored.
- Going forward the team would be able to focus on more recent recommendations and the Head of Covid-19 and Thirlwall Inquiry was thanked for her rigour and hard work.

It was resolved that the Committee:

- **NOTED** the current position with regards to historical External Audit recommendations;
- **APPROVED** the proposals within the report relating to historical External Audit recommendations;
- **NOTED** the position in relation to the Board Effectiveness Review and Follow-up and **APPROVED** the closure of recommendations as the Audit Committee were satisfied with the assurances provided.

AC25/09 WRP Penalties - Learning from Events Report (LfER)

Members received the report and noted the progress to date. In presenting the report, the Deputy Director for Legal Services highlighted:

- A new process has been introduced by the Welsh Risk Pool (WRP) and there is a need for the team to ensure clear processes are put in place to provide assurance in this area.
- The WRP introduced penalties for late receipt of forms at the start of the last financial year, a total of 3 penalties were reported at the previous meeting and a further 25 penalties have now been received amounting to a total cost of £70,000.
- The summary of overdue LfERs currently totals 106 – this could lead to additional penalty charges and an increase from £70,000 to £265,000. The team are liaising with WRP to avoid this.
- The team are developing a new process for LfERs to try and simplify the process for use by services which includes clear responsibility, accountability and timescales at each stage of the process to ensure greater ownership from a higher level.
- The backlog position is an issue and each division are being asked to develop a recovery plan over the next six months. Once the backlog has been addressed, the teams will be able to manage LfERs in real time.

In discussing the update, the Committee:

- Queried how confident the team were in dealing with the backlog whilst addressing the current LfERs. It was confirmed that the central legal team have set specific targets which are due to be met however there are challenges within the services to address this.
- Requested to see a sample of an LfER to understand the issue, it was agreed that this would be done as part of a Board Development session.
- Suggested the need to ensure sustainable improvements and manage the information that is being reported within the local performance reports.
- Confirmed that the team are working closely with the WRP and support is being provided.
- Highlighted the potential financial risk in relation to the penalties and suggested this needs to be reported via the Integrated Performance Executive Delivery Group ensuring that the Audit Committee have oversight of those not responding to LfERs and incurring costs.

Actions:

- **AC25/09.1** Share an example of an LfERs with the Independent Members - this will be done as part of a Board Development session.
- **AC25/09.2** Report to the Integrated Performance Executive Delivery Group and ensure the Audit Committee have oversight of those not responding by providing updates via the Quarterly Conformance Report produced by the Finance Team.

It was resolved that the Committee:

- **NOTED** the report.

AC25/10 Update on Health Board Policies and Written Control Documents

Members received the report and noted the progress to date. In presenting the report, the Director of Corporate Governance / Head of Covid-19 and Thirlwall Inquiry highlighted:

- The report has been developed following a request from the Committee to establish a process for reviewing policies and procedures.
- The team have highlighted the overdue policies reporting that there has been a reduction and the current figures stand at 57, these overdue policies will be the focus over the next six months.

- There is a need to review the process and develop a more streamlined approach going forward.

In discussing the report, the Committee:

- Queried whether the policies that carry the biggest risk could be summarised rather than those that are at risk of being overdue.
- Enquired whether policies or written control documents are being used more frequently by staff and which has the biggest impact. It was confirmed that the policies need to be clear to inform the written control documents.
- Confirmed the need for the team to focus on the priority areas and highlighted that the Policy Oversight Group is working to try and streamline the process.

Action:

- **AC25/10.1** Summarise the policies that carry the biggest risk and provide a paper to the Committee in April 2025.

It was resolved that the Committee:

- **NOTED** the position on all policies/WCDs due for review in quarter 2 of 2024/25, as at 2nd October 2024.
- **NOTED** the current status of all out-of-date policies and WCDs.
- **NOTED** the categorisation of risks around overdue policies and WCDs, and the progress being made to update these.
- **AGREED** the focus over the next 6 months should be on WCD assessed as 'high risk' and policies that are overdue as shown in Appendix 3.

AC25/11 Standards of Business Conduct Policy (OBS02 – Minor Changes)

In presenting the report the Director of Corporate Governance highlighted the changes included in the document and these were approved and endorsed.

It was resolved that the Committee:

- **SUPPORTED** the changes to the policy.

AC25/12 Board Assurance Framework

In presenting the report the Director of Corporate Governance highlighted:

- The Committee have been provided with the opportunity to comment on a previous version of the Board Assurance Framework (BAF) which has also been shared via the remaining Committees for comment.
- From April onwards, priority areas have been identified for delivery which can be mapped to the Annual Plan once this is approved by the Board.
- Relevant audit reports have been triangulated as part of this work to ensure impact against high level objectives.

In discussing the report, the Committee:

- Queried the assurance ratings on page 5 noted against the red rating and suggested that this is simplified to ensure people are aware that red highlights insufficient reliable evidence.

- Questioned the use of the phrase “risk of” on page 6 suggesting the principal risks may become clearer if the wording is revised.
- Highlighted gaps in controls relating to the Estates Strategy, it was confirmed that this would be addressed to include any additional controls required.
- Agreed the need to develop and simplify the language used as an Executive Team.
- Noted that in some cases the relevant responsible Committee had not been noted in the tables.
- Commended the progress made.

Action:

- **AC25/11.1** Amend the wording to show Red = Negative assurance: the Committee is satisfied that there is insufficient reliable evidence. Refine the use of the word risk under the principal risks (use more simple language)

It was resolved that the Committee:

- **RECEIVED** and **COMMENTED** on the contents of the BAF prior to consideration by the Board in January 2025.

AC25/13 Annual Report 2024/25 Arrangements

In presenting the report the Director of Corporate Governance highlighted:

- A discussion around the Annual Accounts has taken place in terms of timescales and a plan is now in place.
- The aim is to have a draft by 31st March which is then subject to Audit Committee sign off.
- A debrief session following last year has taken place to address the lessons learnt and provide some recommendations going forward.
- It was requested that the June Audit Committee is moved.

Action:

- **AC25/13.1** Change the date of the Audit Committee from 25/06/25 to 24/06/25 (preferably morning)

It was resolved that the Committee:

- **CONSIDERED** the arrangements that have been developed for the production of the Annual Report for 2024/25.
- **RECEIVED ASSURANCE** on the arrangements for the production of the Annual Report for 2024/25.

INTERNAL AUDIT

AC25/14 Internal Audit Progress Report

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

- The difficulties faced by the team in accessing the required information and evidence for some of the reviews which affects the ability to test the integrity of the data and provide a full response.
- Four assurance reviews have been issued as final with three reasonable and one unsatisfactory.

- The Charitable Funds review has been rated as reasonable which is an improvement however there was one limited assurance rating relating to the recording of restricted and unrestricted expenditure.
- The Intelligence Led Organisation review has been rated as reasonable however issues have been highlighted in relation to data quality.
- The Special Measure review has been rated as reasonable however further work is required in relation to business continuity.
- Changes are required to the Internal Audit Plan; a revised version will go to the Executive Team in January 25 and back to the Committee in March 25.

In discussing the report, the Committee:

- Agreed to discuss the ongoing issue of providing unrestricted access to data for testing.
- Highlighted an issue in relation to restricted and unrestricted funds relating to the Charitable Funds review.
- Noted that the Committee had not received a copy of the Internal Audit Report on Charitable Funds.

Actions:

- **AC25/14.1** Russell Caldicott and Simon Cookson to discuss gaining unrestricted access to data outside of the meeting.
- **AC25/14.2** Share full copies of all Internal Audit Reports going forward.
- **AC25/14.3** Circulate the Internal Audit Report on Charitable Funds.

It was resolved that the Committee:

- **RECEIVED** the progress report.
- **APPROVED** the changes to the plan for the Waiting List Initiative Payments (IHC Centre) review and the Integrated Assurance and Approval Plans (IAAP) for Wrexham Maelor Business Continuity.

EXTERNAL AUDIT

AC25/15 External Audit Progress Report

Members received the report and noted the progress made to date. In presenting the report, the Financial Audit Manager and Performance Audit Lead for Audit Wales highlighted:

- The team are aiming for the 28 January 2025 to complete the audit of the Awyr Las Charity Accounts 2023/24.
- Plans are in place for the 2024/25 draft accounts and subsequent audit and ongoing dialogue continues with the Director of Corporate Governance and Interim Executive Director of Finance.
- The team provided an update on the status of the current and planned performance audit work.
- The review of cost savings arrangements was issued in November 2024 and a management response has been received and the structured assessment was issued in December 2024.
- A report on Cancer Services has now been published and will be reported as part of the progress report at the next meeting.

In discussing the report, the Committee:

- Referred to recommendation 4 in the cost savings arrangements report and queried the impact and implications of the additional 10% savings requirement. It was confirmed that the 10% ask came from Welsh Government as a stretch target, this was not treated as an additional savings target and the Health Board delivered the savings ask.
- Suggested the need for Independent Members to gain a better understanding of the Health Board's finances and suggested a workshop style item could be provided.
- Queried how the savings and learning from the cost savings arrangements report will be progressed and embedded. It was confirmed that the work needs to start earlier to provide assurance. The majority of accountability agreements have now been signed off to agree baseline budgets and accountability. There is a need for the team to identify underlying deficits and also potential allocation to support ongoing pressure.

Actions:

- **AC25/15.1** Further support Independent Members to gain a deeper understanding of the organisation's finances.
- **AC25/15.2** Share the link for the Cancer Services report.

It was resolved that the Committee:

- **NOTED** the content of the report.

AC25/16 Structured Assessment

Members received the report and the Performance Audit Lead for Audit Wales highlighted:

- The report presented is the Structured Assessment for 2024, differing from the Structured Assessment for 2023 which was issued in May 2024. This unusually meant that the Committee had received two structured reports in the same financial year.
- There have been a number of positive findings including establishing a full cabinet of Independent Members providing scrutiny and valuable input, recruiting to some key posts and strengthening of the Board and Committee meetings where transparency is now being demonstrated effectively.
- There have been improvements in risk management, financial management and the overall financial position shared with the Board.
- There is a need to recruit to the remaining gaps in the Executive Team which once complete will ensure changes related to the Foundations for the Future Programme can be managed effectively.
- The Health Board are establishing key strategies and plans as well as a clinical services plan.
- The Board Assurance Framework is being strengthened and the team are working to ensure strategic objectives and risks are clear.
- Nine recommendations have been included in the report and the management response was noted as reasonable and comprehensive.

In discussing the report, the Committee:

- Thanked External Audit for the report highlighting the high level of engagement provided.
- Noted the challenges relating to the Executive Team and stated that progress is being made to recruit to some key appointments.

- Confirmed that there has been progress in relation to organisational governance and the introduction of the Foundations for the Future Programme will be a significant step forward to ensuring the organisation works more effectively.
- Referred to the positivity in providing openness and transparency and triangulation with the previous report highlighting the significant progress that has been made during the nine months since the last report was published.
- Queried appendix 2 and the progress made on the previous year recommendations, it was confirmed that some of these recommendations have now been included on the audit tracker, some processes are being revised to ensure they are robust and assurance was provided that all outstanding recommendations are being addressed. In particular recommendation 5 relating to recommendations made by non-audit bodies was discussed and the importance of notifying and reporting these via a tracking system was agreed as a priority.
- Acknowledged that the report will go to the Board in March 2025, works continues to assess progress against Special Measures and this report will support that work.

It was resolved that the Committee:

- **NOTED** the content of the report.

COUNTER FRAUD

AC25/17 Local Counter Fraud Service Progress Report (Q2)

Members received the report and the Head of Counter Fraud highlighted:

- The UK Government Functional Standard return was submitted last year, work is ongoing to address the amber rating and there is a need to ensure we are meeting those standards.
- We are unlikely to meet all the objectives included in the annual workplan due to difficulties with resources however the vast majority will be met.
- At the time of writing there were 37 open cases, this is now down to 35, a number of cases are historic and go back as far as 2018. Work is taking place to address how this number can be reduced and opportunities to make more robust and timely decisions on closure.
- Training continues to be delivered and BCU are the only Health Board in Wales that mandate an e-learning package. Face to face sessions have been conducted but not well attended.
- The Counter Fraud, Bribery and Corruption Policy is currently overdue, there has been a complete refresh of the policy, the policy has now gone out to consultation and will be presented to the Executive Policy Oversight Group in January 2025 and Audit Committee in March 2025 for approval.

In discussing the report, the Committee:

- Queried the risks included in the report and requested further detail is included in the report relating to mitigating measures being put in place to address the risks and progress to date.

Action:

- **AC25/17.1** Include additional information in the report in relation to the risks and progress.



It was resolved that the Committee:

- **CONSIDERED** and **NOTED** the content of the report.

FOR INFORMATION

AC25/18 Summary of Business to be Reported from Private

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

AC25/19 Committee Forward Workplan

It was resolved that the Committee **NOTED** the forward workplan for information.

CLOSING BUSINESS

AC25/20 Agree Items for Referral to Board / Other Committees

It was resolved that the following would be referred:

- Final Internal Audit Report on Consultant Job Planning to be included on the agenda for the next People and Culture Committee to monitor progress and oversight and an update to be provided back to the Audit Committee in six months' time.
- The current position on the LFERs and plans to address.
- Share the Internal Audit Report on Charitable Funds with the Charitable Funds Chair and Charitable Funds Committee.

AC25/21 Review of Meeting Effectiveness

In discussing the item, the Committee:

- Noted that there had been some good challenge on the audit recommendations and deeper discussion into items to provide benefits for moving forward.
- Created the right tone for constructive discussion and challenge, with the ability to draw on evidence and facts presented across all reports presented to facilitate deeper debate.
- Demonstrated good progress and challenge and the Committee felt assured in a number of areas.
- Acknowledged further work is required but good progress has been made over the past 18 months.
- Agreed that Executive Directors presenting limited and open recommendations provided a level of accountability.

AC25/22 Date of Next Meeting

Audit Committee Development Session: 20th February 2025, 9.30-11.00

Audit Committee: Thursday 4th March 2025, 9.30-13.30

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'