

**Betsi Cadwaladr University Health Board (BCUHB)
Confirmed Minutes of the Audit Committee held in PUBLIC
on 18 July 2024
in the Boardroom, Carlton Court, St Asaph and via Teams**

Committee Members Present	
Name	Title
Karen Balmer	Independent Member (Chair)
Urtha Felda	Independent Member
Dyfed Jones	Independent Member (via Teams)
Rhian Watcyn Jones	Independent Member (via Teams)
In Attendance	
Russell Caldicott	Interim Executive Director of Finance (<i>part meeting</i>)
Dyfed Edwards	Health Board Chairman (<i>part meeting</i>)
Pam Wenger	Director of Corporate Governance
Andrea Hughes	Interim Finance Director, Operational Finance
Andrew Doughton	Audit Manager, Audit Wales
Fflur Jones	Performance Audit Lead, Audit Wales
Matt Edwards	Director – Financial Audit Lead, Audit Wales
Dave Harries	Head of Internal Audit
Nicola Jones	Deputy Head of Internal Audit
Libby Ryan Davies	Integrated Health Community Director (Central)
Nesta Collingridge	Head of Risk Management (<i>part meeting</i>)
Amanda Legge	All Wales Post Payment Verification (PPV) Manager (NWSSP) (<i>part meeting</i>)
Wyn Owens	Head of Operational Procurement & National Sourcing NWSSP (<i>part meeting</i>)
Committee Support	
Jody Evans	Corporate Governance Officer
Philippa Peake Jones	Head of Corporate Affairs

Agenda Item	Action
PRELIMINARY MATTERS	
AC24.88 Welcome, introductions and apologies for absence	
AC24.88.1 The Chair of the Committee welcomed everyone to the meeting and apologies were received from Nick Lyons – Executive Medical Director, Sjeif Molmans - Local Counter Fraud Specialist, Finance and Carol Shillabeer - Chief Executive.	
AC24.89 Declarations of interest on current agenda	
AC24.89.1 No declarations of interest were made at the meeting.	



<p>AC24.90 Minutes of previous meeting for accuracy</p> <p>AC24.90.1 AC24.57.3.1 RESOLVED: The Minutes from the meeting held on May 7th were confirmed as accurate, with amendments to the language concerning item AC24.57.7.7 and a correction to the job title of the External Audit Manager.</p> <p>AC24.90.2 It was agreed that items on the action log that were closed by the Committee would be noted in the minutes of the meeting going forward.</p>	<p>JE</p>
<p>AC24.91 Action Log and matters arising not covered on the agenda</p> <p>AC24.91.1 Members received the action log and noted that it did not appear to be a clear record of the actions that were closed the previous meeting. Following a discussion between the Chair and the Head of Internal Audit about the resolution of closed items on the action log, it was agreed that a review of the actions from the previous meeting be reviewed and an update provided to the Chair to ensure that there were no actions missing. It was noted that the column advising of the revised deadline date was missing which was an oversight and would be reinstated.</p> <p>In reviewing the action log, the Committee agreed to close the following actions:</p> <p>AC23.93, AC24.57.7.7, AC24.57.7.10, AC24.57.8.4, AC24.58.5, AC24.16.1 & 2, AC24.57.3.1, AC24.57.6.2, AC24.57.6.3, AC24.58.7.1, AC24.58.9, AC24.59.2.7, AC24.59.2.14, AC24.59.3.2, AC24.59.3.3, AC24.60.1.6, AC24.61.1.6, AC24.61.2.3, AC24.61.2.6, AC24.61.5.2, AC24.62.1.7 and AC24.63.1.1.</p> <p>RESOLVED: That; updates to the summary action log be recorded therein.</p>	<p>KB/PW</p>
<p>AC24.92 Notification of matters referred from other Committees</p> <p>AC24.92.1 There were no matters referred from other Committees noted at the meeting.</p>	
<p>AC24.93 To note the items considered in the In-committee Audit Committee</p> <p>AC24.93.1 The Committee noted the items that were considered in the In-committee Audit Committee, held on the 7th May 2024;</p> <ul style="list-style-type: none">· Details of Breaches of SFIs, Scheme of Delegation and Standing Orders.· Independent Review Management Response (Contract Procurement Review).· Local Counter Fraud Report.· Development of the Annual Governance Statement 2023/24. <p>RESOLVED; that the items were noted.</p>	

**AC24.94 Effective Governance – Integrated Health Community (IHC)
Central - Final Internal Audit Report**

AC24.94.1 The Integrated Health Community Director (Central) presented the Limited Assurance Report to the Committee, along with a summary of the *Limited* status recommendations and management action plan.

AC24.94.2 It was noted that the management plan had been reviewed at the 19th June 2024 Executive Team Meeting, and was subsequently submitted to Internal Audit.

AC24.94.3 The IHC Director thanked the Internal Audit Team for their patience with regard to the accuracy of comments, which had been included in the final report.

AC24.94.4 The Committee noted that a number of key actions had been completed to date, and that work was ongoing to progress recommended actions with the support of the Corporate Governance Team, in terms of completion of the review of the Governance arrangements.

AC24.94.5.1 The audit report had contained a management action that related to the re-establishment of a Financial Control Group. The purpose of these Groups will be to oversee the planning and delivery of financial targets whilst understanding the impacts of the necessary change to deliver a reduction in financial spend. The IHC Director reported that the IHC were aligning the Terms of Reference. It was also noted in the meeting that there was a management action in the audit report that the Central IHC Clinical Effectiveness Group (CEG) will be the responsible forum for ensuring that required clinical audit is completed and assurance would then be overseen by the Quality Operational Delivery Group (QODG). It was noted by the Committee that the ToR will be reviewed to ensure that this is reflected and that the ToR would relate to Tier 1, 2 and 3 audits.

AC24.94.5.2 Significant focus was given to improvements to performance and monitoring against concerns, complaints and incidents. It was noted that a huge amount of work had been undertaken to address the backlog with support and scrutiny from the Director of Nursing and Chief Executive. It was reported that a significant improvement had been recognised.

AC24.94.5.3 Risk Management was also commented upon by the Director, including the ongoing evaluation of service-related risks. It was affirmed that Risk Management was an integral part of the process; particularly in relation to the periodic updates of service risk reviews, and updates to the risk register. It was also raised that the updates were consistently featured on the agendas of the key Governance Groups within the IHC and recognised within the Terms of Reference. It was also noted that attendance issues at the Risk Management Group meetings had been a concern for the IHC. It was confirmed that the Director was optimistic that the recent updates to the terms of reference would lead to enhanced participation and overall improvement in attendance.

AC24.94.5.4 The Committee noted the update and questions were invited.

AC24.94.6 Independent Member (DJ) raised a question, regarding the revision of the current implementation to evaluate improvements. The Head of Internal Audit stated that a follow-up would be conducted within the year. He also mentioned that discussions with the Director of Corporate Governance would take place to review the progress of follow-ups. Additionally, the Head of Internal Audit indicated that focus testing would be implemented, to aid in the formal closure of the actions.

AC24.94.7 Independent Member (RWJ) sought assurances from the Director, in relation to the development of trajectories and how these would clear the backlog of complaints, with a target completion date set for the end of July. RWJ queried what was the plan with regard to getting a grip on the overspend incurred by the IHC. The Director emphasised that establishing trajectories was not solely about planning, but also about ensuring swift resolution of issues. The Director clarified the range of ongoing work around expenditure and key drivers. It was also noted that Senior Management was reviewing bed escalations and the reduction of bed escalations and variances in pay spend as a result of agency usage as a key focus of cost pressures. RWJ expressed her disappointment that the measures re financial control had not enabled the IHC to manage its budgets and that all budget holders should be looking at how they can reduce costs.

AC24.94.8 Independent Member (RWJ) furthermore commented upon the number of complaints and actions and queried as to why the work had not been undertaken previously. The Director explained the legacy of the situation along with additional resource and measures, in relation to pilots being undertaken to meet the demand. The IM also questioned the budget holders role with regards to the report highlighting the IHC being the biggest over spender; the Director clarified the budget holders were working hard to review opportunities in working differently, in order to reduce expenditure.

AC24.94.9 The Chair of the Committee referred to the number of open complaints since April, and questioned the position at the end of June. The Director agreed to forward the detail to the Chair following the meeting, it was noted that overdue complaints had significantly reduced. It was also agreed to provide a future update on the impact of the actions being taken, with regards to the reduction of outstanding complaints responses at a future meeting.

AC24.94.10 The Interim Executive Director of Finance also expressed his disappointment, along with concerns in relation to the management of cost pressures and risk compared to others. It was noted that there was a huge amount of work to be undertaken within the IHC. The Interim Executive Director of Finance also confirmed that specific support had been provided to the IHC by the Chief Finance Officer and that work was being undertaken in the background. The Committee Chair then reflected on the distinctiveness of the three separate IHCs. The necessity for mutual learning, in terms of financial

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<p>management or complaint resolution was emphasised as a crucial element of the integrated approach. Cost effectiveness was referred to by the Interim Executive Director of Finance along with mitigations of risk and additional capacity. It was agreed to share the report with the Performance, Finance and Information Governance Committee.</p> <p>RESOLVED: The Committee <i>noted</i> the update and requested an update on the impact of the actions being taken, with regards to the reduction of outstanding complaints responses at a future meeting with the report being shared with PFIG.</p>	<p>PPJ</p>
<p>AC24.95 To receive a Report from NHS Shared Services Partnership on 23/24 Annual Procurement Assurance</p> <p>AC24.95.1 The Head of Operational Procurement & National Sourcing NWSSP (WO) provided the Committee with an inaugural report and presentation, which included key updates on National Procurement initiatives and outcomes that had a direct bearing on the Health Board, the update also provided the summary of procurement activity undertaken.</p> <p>AC24.95.2 The Chair of the Committee commented upon the inaugural report and frequency of the reporting, the Head of Operational Procurement and National sourcing clarified the internal restructuring of the service, and referred to the refreshed standard of reporting. The Interim Director of Operational Finance confirmed the reporting pattern, which was reviewed in incorporation into the Health Boards Conformance reporting. Chair then queried the delivery and carriage costs in the report. It was clarified that the savings opportunities concerning carriage, delivery and bulk buys were part of the Health Boards savings Workplan.</p> <p>AC24.95.3 The Interim Executive Director of Finance also explained to the Committee of the Health Boards membership and attendance at the National Workstream reporting on Value Sustainability, whilst ensuring oversight and opportunities to target saving gaps. The Director of Corporate Governance also acknowledged the update in terms of feeding into the Audit Committee.</p> <p>AC24.95.4 The Chair of the Committee questioned as to whether or not the audit recommendations had been completed. It was confirmed that the recommendations had been completed, however Internal Audit had not yet followed up and closed the recommendations. It was noted that the actions relating to the closure would not take place until the second part of the financial year, it was clarified that a full deep dive would be undertaken.</p> <p>AC24.95.5 The Chair also addressed the Committee regarding the log of Tenders. Particular emphasis was placed on the discrepancies observed in the names of suppliers listed, and the Chair questioned the potential enhancements to ensure accuracy in future records. The Head of Operational Procurement & National Sourcing confirmed that the data was taken from a manual spreadsheet, not extracted from the Tender Management System. He also</p>	

clarified that the Team would standardise suppliers across the data sheet in future reporting. Chair then requested that The Head of Internal follow up to test the point made. The Head of Internal Audit confirmed that the point would be picked up on an All Wales Basis. A discussion ensued following a similar point made by IM (RWJ) regarding inconsistencies across the system in relation to streamlining. It was explained that the suppliers would be combined where possible.

AC24.95.6 The Head of Internal Audit acknowledged the report's comprehensive detail and the Committee noted a comparable report to be introduced across Wales. The Head of Internal Audit also remarked on the adherence to NWSSP standard operating procedures; the need for broader assurances concerning payroll, and the necessity for additional detail regarding these aspects be incorporated into the reporting going forwards.

AC24.95.7 The Director of Corporate Governance delineated the distinct governance processes pertaining to shared services; along with the involvement of the Health Board, being part of the All Wales Partnership Committee, and the process of governance reporting to Velindre NHS Trust as the host body. The Committee acknowledged the Director's remarks, recognising the importance of clear boundaries and assurances. It was noted to arrange a future session with Board Members, to further discuss the role and operations of Shared Services. A further discussion took place with a dialogue on financial matters and the adherence to NWSSP internal Standard Operating Procedures, which would be included in future internal audits.

AC24.95.8 The Chair discussed the provision of branded merchandise for North Wales Child and Adolescent Services, emphasising the importance of the products' compliance with ethical standards. Confirmation was given that all merchandise procured through the Health Board's processes meets environmental standards. Additionally, it was noted that there is a process for sourcing from Welsh suppliers whenever feasible.

AC24.95.9 The Committee expressed gratitude to the Head of Operational Procurement & National Sourcing for presenting the report. The Head of Operational Procurement also invited suggestions for improvements to the reporting template for consideration in future iterations.

RESOLVED: The Committee *noted* the inaugural Annual Assurance Report (Procurement) for 2023/24

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AC24.99 To receive an annual report from NHS Shared Services Partnership on Post Payment Verification 2023/2024

AC24.99.1 The NWSSP Lead (AL) presented the briefing, in relation to the Post Payment Verification (PPV) Annual Assurance Report for 2023/24, which provided an overview of the verification work for claims from General Medical Services (GMS), General Ophthalmic Services (GOS), and General Pharmaceutical Services (GPS).

AC24.99.2 It was reported that the team completed 48 of 49 GMS planned visits and one extended visit within BCUHB. The next year would prioritise revisits, with extended visits for routine and revisit cases.

AC24.99.3 The Lead summarised that GOS had moved towards remote access, including virtual visits, amidst the ongoing shift to electronic records, with continued physical visits as necessary.

AC24.99.4 In relation to the GPS, it was noted that a new service check system was implemented in 2023/24, with all visits completed. It was summarised that the upcoming year would see collaborative scheme verification and expanded remote working, alongside quarterly reporting across Wales.

AC24.99.5 The Committee noted that technical issues with dispensing data checks had been resolved, allowing for quarterly reporting.

AC24.99.6 It was reported that the Clinical Waste Self Assessments were also successfully piloted and were ongoing whilst highlighting the fresh approaches that could lead to financial savings for the NHS in the domain of clinical waste management. Plans were also in place to pilot self-assessments for pharmacies.

AC24.99.7 It was explained that meetings were being held throughout Wales and with the audit team. Additionally, explorations into further potential cost-saving measures were underway. Correspondingly, a visual guide concerning PPV had been developed for GOS contractors, akin to the GMS.

AC24.99.8 The Committee Chair requested details on the availability of comparative trend analysis, including geographical data (in relation to East, Central and West IHC areas). It was explained that a new business information team in primary care was currently creating a data dashboard, and confirmed that plans were in place to improve this data moving forward.

AC24.99.9 The Director of Corporate Governance questioned if any particular themes had been raised upon the visits in terms of learning, and of the resolutions or progress and (where applicable) to counter fraud. The NWSSP Lead provided an overview of the current actions taken and it was agreed to include any anonymised common themes within future reports to the Committee. The Interim Executive Director of Finance commented on the establishment of benchmarks and provided explanations regarding the scope and guarantees involved in recuperating and collaborating with newly integrated practices.

AC24.99.10 The Chair inquired about the proportion of electronic versus paper-based systems. It was confirmed that, owing to a large contractor, the ratio stands at an even 50/50. A discussion ensued over manual paper checks compared to electronic verification methods.

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<p>RESOLVED: The Committee <i>reviewed, noted</i> and were <i>assured</i> that the PPV cycle was being managed appropriately but requested prior year/prior period comparative data going forward.</p>	
<p>AC24.96 Risk Management</p> <p>AC24.96.1 The Committee received an update from the Head of Risk Management in relation to the position on the, Limited Internal Audit Report, Corporate Risk Register, Risk Management arrangements, and the proposal to the role of Risk Management Group.</p> <p>AC24.96.2 Internal Audit Report - The Head of Risk Management expressed gratitude to the Internal Audit Team in the production of the limited assurance report. The Committee then received an update on the four recommendations and the advancements achieved to date.</p> <p>AC24.96.2.1 A significant improvement in quality assurance rates was highlighted, rising from 23% to 56%, and the establishment of a business cycle designed for the quarterly review of risk registers. Attention was also drawn to the insufficient examination of the corporate risk register, and suggestions had been made for revising the risk management group.</p> <p>AC24.96.2.2 The Head of Risk Management indicated that the growing scope and attendance of the Risk Management Group meetings had hindered thorough analysis of the corporate risk register. Consequently, it was proposed to the Audit Committee to the establishment of a risk scrutiny group with fewer members to enable dedicated scrutiny, and to adjust the meeting schedule to provide ample opportunity for addressing risk escalation.</p> <p>AC24.96.3 Risk Management Framework - The Committee noted that the Risk Management Framework had also been updated in line with the report recommendations and inclusion of the details in relation to the Health Boards Risk appetite and tolerance levels.</p> <p>AC24.96.3.1 The Director of Corporate Governance also acknowledged the disappointment of receiving a limited assurance report, but also expressed appreciation for the risk team's efforts over the past year. The necessity for continued dedication to risk management and the vigilant monitoring of risks by the scrutiny group was emphasised.</p> <p>AC24.96.3.2 The Committee Chair acknowledged and appreciated the progress made and the Committee recognised the foundation laid for future enhancements.</p> <p>AC24.96.3.3 The Chair of the Health Board attended the meeting at this point.</p> <p>AC24.96.3.4 IM (RWJ) inquired about the integration of the risk appetite and how it fed into the scoring system. The Head of Risk Management affirmed that</p>	



<p>going forward, the tolerance scoring level would be incorporated into the risk matrix and reflected in upcoming Committee reports.</p> <p>AC24.96.3.5 The Committee observed that 9 out of the 17 risks listed in the Corporate Risk Register exceeded the Health Board’s tolerance levels. It was confirmed that the risks are set to be reviewed by the Risk Scrutiny Group, then discussed further by the Executive Team and relevant Committees to ensure prioritisation. Additionally, attention was noted to aligning risk management and actions with the Health Board’s Annual Plan.</p> <p>AC24.96.4 Corporate Risk Register - The Head of Risk Management then presented the Corporate Risk Register, offering a summary of its contents. There were no inquiries or issues brought up for discussion in relating to the Risks therein the report. It was however noted that following a board development meeting, it was decided to remove the assurance line from the template, considering them part of the Board Assurance Framework. This modification received the Committee’s endorsement.</p> <p>RESOLVED: The Committee <i>agreed to endorse</i>;</p> <ul style="list-style-type: none"> · The management response of the Internal Audit report. · Recommendations to updating of the Risk Management Group (3 x a year Risk Forum and monthly Risk Scrutiny Group). · Key updates and changes to the Risk Framework and Procedures. · The Corporate Risk Register updates. 	
<p>AC24.97 Breaches of SFIs and Scheme of Delegation</p> <p>AC24.97.1 The Interim Director of Finance reported to the Committee that there were no breaches to report at the meeting.</p>	
<p>AC24.98 Standards of Business Conduct</p> <p>AC24.98.1 The Director of Corporate Governance introduced the item, reporting that Internal Audit had recently completed their audit of the Standards of Business Conduct Declarations of Interest, Gifts, and Hospitality, and reported that sadly the audit received a limited assurance rating.</p> <p>AC24.98.2 The Director referred to the standards scope, which covered not just the Board, but also certain individuals within the organisation in terms of declarations. The compliance and complexities of the policy was raised, along with challenges within the organisation and staff shortages within the team.</p> <p>AC24.98.3 It was confirmed that detailed work was to be undertaken, with the Head of Corporate Affairs leading the efforts to address the recommendations and system challenges. The Director also mentioned the implementation of the system and procurement. The strengthening of governance and communication was fully acknowledged, along with various challenges throughout the previous 18-month period. It was noted that the Director would feedback to the Committee in relation to updates on progress in the November Audit Committee.</p>	PW

AC24.98.4 The Head of Corporate Affairs then updated the Committee in relation to actions which had been implemented since the review

AC24.98.5 The Chair referred to nil declarations and approvals, it was agreed for the Head of Corporate Affairs to ensure the element of the process was actioned. The Chair also referred to twice-yearly reports being presented to the Committee, which had been agreed between the Chair and the Director of Corporate Governance.

AC24.98.6 A discussion ensued relating to declarations relating to Executives, Board Members and Independent Members. The system implementation was referred to, along with issues that required addressing, as noted therein the report.

AC24.98.7 An IM (RWJ) queried the deadlines in relation to various actions within the report, noting that most had a deadline of 31st July 2024. It was confirmed that where actions do not achieve the target date, the date would be revised accordingly and that work was ongoing.

AC24.98.8 The Chair of the Health Board welcomed the ongoing work and summarised the public transparency, particularly regarding concerns in relation to employees conflicting existences.

AC24.98.9 A discussion ensued concerning the process and corporate governance capacity in relation to the reviews of declarations, as part of the planned role going forwards.

AC24.98.10 The Head of Internal Audit addressed a point in the report about the procurement of the Civica System, explaining that it was acquired by a former Interim Board Secretary. It was clarified that the Audit Team neither recommends nor has ever recommended systems for procurement. Additionally, the Head of Internal Audit mentioned that they had not used the Civica System, as they utilise an in-house ESR system, which is also available to the Health Board.

AC24.98.11 The Chair of the Committee referred to item 2.1.3 regarding an inheritance to the organisation in the report and the Committee acknowledged the detail in the report.

RESOLVED; The Audit Committee noted:

- The Internal Audit and its findings.
- The actions proposed to address the issues raised.
- To report back to the Committee in November.

AC24.100 SFI Conformance Report – Quarter 1 24/25 & AC24.97 Breaches of SFIs and Scheme of Delegation

AC24.100.1 The Interim Finance Director, Operational Finance

presented the conformance report for April to June 2024 to the Committee with an overview of regulatory compliance, assurance, and good practice expectations.

AC24.100.2 The Interim Finance Director, Operational Finance explained that there had been a continued reduction in non-compliance with purchase orders during the quarter, it was confirmed that the data was relative to the size of the organisation. It was noted that purchase orders that required review would be considered as call off orders going forwards, in place of retrospective purchase ordering.

AC24.100.3 The implementation of a new process involving 'File Notes' to capture and record instances of procurement spend outside of the SFIs/Scheme of Reservation and Delegation (SoRD) was raised.

AC24.100.4 The Interim Director also clarified that the NWSSP were reviewing the All Wales purchase order exemption list, as part of the updated Policy on behalf of NHS Wales.

AC24.100.5 It was reported that Single Waivers had significantly decreased in the number of approved waivers.

AC24.100.6 The Interim Director referred to an action point in relation to receivables and conformance with payroll procedures; therefore, a brief was provided within the report highlighting the recovery actions in place, along with housekeeping and review updates.

AC24.100.7 In terms of salary overpayments; it was explained that continued education of line managers was taking place, in addition the NWSSP were in the process of agreeing an All Wales overpayment procedure, with the aim to strengthen the Health Boards governance and processes, in relation to recovering salary overpayments.

AC24.100.8 Details in relation to payables and conformance with Public Sector Payment Policy was provided. It was reported that links with the Director of Corporate Governance were also in place, in relation to Chairs Actions, as per standing orders.

AC24.100.9 Losses and special payments were also referred to with regards to medical negligence, Welsh Risk Pool claims and patients property.

AC24.100.10 The Chair of the Committee queried overpayments to staff in receipt of benefits. It was clarified that if a staff member had an increased salary payment, then benefits would reduce when benefits were being claimed. It was noted that the Health Board do not to recover this type of claim, due to the benefits reduction being recovered via the public sector. The Interim Director then expressed the further need to continue to educate staff in relation to overpayments.



AC24.101.2 The Head of Internal Audit requested the Committee's approval for changes to the Grievance Management and Business Cases: Capital and Revenue reviews. The Executive Director of Transformation and Strategic Planning and the Director of Corporate Governance had already approved the changes, pending the Audit Committee's approval. The Committee was provided with background information and ongoing work details supporting the request. After consideration, the Committee agreed to approve the deferral of the Grievance Management review and the split review of the Business Cases for capital and revenue.

AC24.101.3 The Committee was also informed regarding the Key Performance Indicators, noting the positive status of being green, despite the Health Board's downward trajectory to 77% from a previous 100%. The Chair requested that improvements in the response time be made going forward.

AC24.101.4 The Head of Internal Audit expressed gratitude to the Corporate Governance Team in relation to the progression of Audits, but highlighted delays in owner engagement with the Audit Team, which caused further delays. The Chair questioned if there were mitigating circumstances for these delays and requested that the issues be raised with Executives regarding the delays and implications for the Audit Team. The Director of Corporate Governance assured that feedback would be provided to the Chief Executive on this matter.

AC24.101.5 The Deputy Head of Internal Audit presented key highlights from recent reviews. It was noted that one report regarding the Orthopaedic Hub had not yet been finalised, as it was returned for management review due to queries and challenges raised. It was confirmed that the report would be finalised soon following the outcome of discussions.

AC24.101.6 The Deputy Head of Internal Audit also outlined that the majority of the reports listed had been limited, with key themes including compliance with policies, governance, and risk management. The Committee acknowledged the progress made in the limited risk report over the year to date, despite operational issues and inconsistencies in the quality and detail of risk registers and risk management. It was also noted that the Deputy Head was meeting with the Head of Risk Management on a monthly basis to discuss issues related to ongoing audits.

AC24.101.7 The Committee discussed the Health and Safety Report, noting limited assurances and inconsistencies with Risk Assessments along with the re-approval of the Policy. Recent changes within Health & Safety were also noted. The Chair raised a previous concern with regards to the policy and it was clarified that the policy would be taken for approval at the September Health Board Meeting. During the discussion the Head of Internal Audit stated that there was a lack of clarity in terms of the responsible officer for Health and Safety due to the vacancy for the Director of Environment and Estates. The Director of Corporate Governance confirmed that the CEO was the accountable officer and the lead for Health and Safety.

AC24.101.8 An IM (UF) questioned resistance regarding responses to audit requests for detail. A discussion followed, explaining changes in team staffing, culture, and clarity around issues related to Internal Audit's requests. It was noted that the People and Culture Committee had agreed to standardise the item on their agenda going forward.

AC24.101.9 Budgetary management was discussed in relation to the limited report. The Deputy Head of Audit emphasised the progress made over the last year, changes in senior leadership, and key issues arising from the lack of detailed procedures and accountability letters. The Chair asked for clarification on whether accountability letters had been issued to budget holders for 2024/25 and was assured that they had been issued for the period.

AC24.101.10 An Independent Member (RWJ) questioned whether the assurances were heading towards "reasonable" assurance. The Head of Internal Audit explained that the weighting was caveated within all audit reports. It was explained that the report received a "limited" status due to a previously agreed commitment to review and update procedures, which was subsequently not actioned. The Deputy Finance Director then commented on the scoring of the limited assurances, noting the improved position, particularly the additional grip and control improvements. It was also noted that targeted dates for actions related to procedures were being worked on, along with additional training. The Director of Corporate Governance also highlighted the significant improvements in the work undertaken by the team. The Chair of the Health Board also commented on the progress made to date, whilst recognising the significant achievements so far. The Chair of the Health Board also emphasised the importance of continuing this progress to achieve the recommendations as outlined in the report.

AC24.101.11 The Committee noted the Discharge Arrangements report, focusing on the Discharge to Recover Requirements (D2RA) and the complexities related to training, procedures, and adverse discharge processes. Ongoing work on the recommended actions was acknowledged. An IM (UF) questioned whether local authorities were included in the audit as part of the system review, and it was confirmed that details related to BCUHB were not within the remit. IM (RWJ) raised concerns about delays in discharging patients to community hospitals and care pathways, including acute site involvement. An Audit Wales Lead confirmed that a regional report had been conducted, with similar themes identified. Independent Member (RWJ) clarified her query regarding bed availability and patient progression through Health Board care. Independent Member (DJ) commented on the disparity in approaches and controls among the six local authorities.

AC24.101.12 The Chair of the Health Board made comment in relation to the technical aspects of the report scope and queries, which had arisen in relation to the system approaches. The Director of Corporate Governance explained the process of the report tracking.

<p>AC24.101.13 An IM (RWJ) requested clarification on the role of the Trusted Assessor and the strengthening of this role within the overall process. The Director of Corporate Governance noted the request and agreed to arrange for the clarification to be provided to all Independent Members.</p> <p>AC24.101.14 The Committee noted the unsatisfactory Operating Model report, which was mainly due to the lack of benefits and measures in place in the offset of the plan, making assessment difficult within the audit. The Deputy Head of Internal Audit highlighted the challenges. The Chair informed the Committee of ongoing work in this area, and the Director of Corporate Governance emphasised the report as a key priority in the annual plan. It was confirmed that the review was conducted at the request of the Chief Executive.</p> <p>AC24.101.15 IM (RWJ) requested clarity of a date in relation to the engagement process with Board Members. The Director of Corporate Governance clarified that the engagement work was to be undertaken within Quarter 2.</p> <p>RESOLVED: The Committee approved;</p> <ul style="list-style-type: none"> · Changes to the proposed process around the introduction of new Internal Audit Reports. <p>The Committee received;</p> <ul style="list-style-type: none"> · The progress report. 	PW
<p>AC24.102 Internal / External Audit Tracking Progress Report – Report</p> <p>AC24.102.1 The Director of Corporate Governance presented the update report on the current status of recommendations, including proposed changes to the process and completion of audit recommendations. The briefing also covered updates on recommendations with ‘none’ or ‘limited’ assurances.</p> <p>AC24.102.2 In particular, the Director informed the Committee of the tracker having gaps within the reports going back to 2021, which had been identified through a process gap check undertaken with Audit Wales and Internal Audit.</p> <p>AC24.102.3 A summary on the current position of recommendations was provided to the Committee, noting the absences of the Medical Director and an Acting Executive in relation to non-closures.</p> <p>AC24.102.4 Recommendations per director, particularly those with limited and no assurances were flagged therein the report. The Director raised whether the Chair would like to invite Executive Directors to provide updates to the Committee in terms of oversight of limited and no assurance recommendations in the future.</p> <p>AC24.102.5 It was also explained that the Team was reviewing other systems used within other Health Boards, as the current system was Excel-based.</p>	



AC24.102.6 The Director further summarised the details of the recommendations in the report along with the external audit process.

AC24.102.7 The Chair of the Committee expressed concern that the report did not evidence the status, in relation to medium and high risks, overdue items, relating to limited and unsatisfactory audit reports. The Chair did not feel assured with the report as it stood but agreed that returning to the spreadsheet tracker was not desirable. It was agreed by the Committee that the need for better insight into the status of recommendations should be within the report.

AC24.102.8 An IM (RWJ) also commented and expressed her wish to be signposted to the more critical needs and highlighted that not all needs are ultimate priorities. She suggested that signposting and grouping would be better. IM (UF) reiterated that she agreed with the suggested comments, emphasising the importance of time management for the agenda and noting that inviting the Executive Directors would add more time.

AC24.102.9 The Chair then commented upon the process, noting the terms of ownership and the clear flow chart in place. The Director of Corporate Governance was happy to take forward the comments and discussed the balance of detail in relation to assurances in previous reports. The Director agreed on the need for further in-depth analysis of specific details and pointed out the public domain element of the management responses. A summary of the Director's thoughts was provided whilst confirming that detailed information was available to members between meetings.

AC24.102.10 The Head of Internal Audit explained that the health board was not an outlier in terms of spreadsheet use for logging internal audits. The Director of Corporate Governance acknowledged the high level of recommendations due to the health board's situation and expressed efforts to reduce the number of recommendations, providing an overview of the recommendation content.

AC24.102.11 An IM (RWJ) expressed her dislike for the A3 spreadsheets and suggested inviting Executives to the table to focus on the recommendations in the reports over the next few months. The Head of Internal Audit agreed with the IM's comments, particularly regarding the Head of Nursing and Midwifery and the outstanding recommendations.

AC24.102.12 The Chair of the Committee then summarised the overview provided. The Committee discussed the recommendations for closure. It was noted that 22 recommendations had been approved for closure by the Executive Team and would be brought to Internal Audit for ratification. Clarification was also provided in relation to the recommendations signed off by the Executive Team.

RESOLVED: The Committee ***approved and noted;***

- Changes to the proposed process around the introduction of new Internal Audit Reports.
- Changes to the new audit recommendation closure process.

PW

<ul style="list-style-type: none"> • All 'no' or 'limited' assurance recommendations. • The current update position to all open recommendations, which were awaiting Internal Audit approval for final closure approval. • The position and review of all Audit Reports included on Audit Tracker and next steps 	
<p>AC24.103 Audit & Risk Committee Update – Report</p> <p>AC24.103.1 The External Audit Manager (ME) presented an update on current and planned audit work within the Health Board, specifically focusing on Accounts and Performance Audits. The detailed focus and status of each review were discussed.</p> <p>AC24.103.2 Particular attention was given to the submission of the Health Board accounts and the next stages. The Chair of the Health Board expressed his gratitude, thanking and congratulating the Audit and Finance Team for all their hard work to date.</p> <p>AC24.103.3 The Chair then highlighted the All Wales Thematic work on urgent and Emergency Care audits, which had been noted in an earlier agenda item. An Audit Wales Lead (FJ) summarised the planned care setup delays and the engagement and setup of the current year's structured assessment, which is scheduled to take place during the autumn period.</p> <p>AC24.103.4 The Audit Wales Lead (FJ) then informed the Committee and provided overviews of the National Reports by the Auditor General, namely the Community Pharmacy data-matching pilot, From Firefighting to Future-Proofing, and the BCUHB Board Effectiveness follow-up.</p> <p>AC24.103.5 A discussion ensued regarding the clarification of the data matching pilot, and it was confirmed that the work was in line with NHS Counter Fraud. An IM (UF) expressed her concern regarding discharge issues and the high-level coordination of the approaches. The Audit Wales Lead (FJ) confirmed the key focus with the 6 Goals programme board, particularly goals 5 and 6, and the driving changes. The IM also queried the innovation of the programme. The Audit Lead confirmed the work and follow-up of the spending, along with difficulties in spend analysis, which was noted across Wales.</p> <p>AC24.103.6 The Chair then questioned whether pharmacists were reimbursed on prescription dispensing. It was clarified that there was a tariff within England and Wales, which was attached to a dispensing fee.</p> <p>RESOLVED; The Committee received and discussed the following Audit Reports:</p> <ul style="list-style-type: none"> • Community Pharmacy Data Matching Pilot - Audit Wales • From firefighting to future-proofing – the challenge for Welsh public services - Audit Wales • Board Effectiveness Follow-up - Betsi Cadwaladr University Health Board - Audit Wales 	

<p>AC24.104 National audit reports for information</p> <p>AC24.104.1 The Audit Wales Lead provided an update to the Committee, in relation to the Discharge Planning Progress with a detailed summary of the scope.</p> <p>AC24.104.2 Key concerns within the report had been raised with regards to training and an absence of regular audit cycles to inform improvements. Key challenges were recognised. It was confirmed that recommendations had been updated in relation to new arrangements.</p> <p>AC24.104.3 Members noted concern, in particular to a lack of consistency and key risks to the system approach of the organisation and connections with the local authority.</p> <p>AC24.104.4 The Chair of the Health Board informed Members that the report had been taken to the Executives, whilst expressing to the group the high levels of activity and the need for the coordinated approach. A discussion ensued, it was noted that the report would be considered as part of a wider Board discussion in September on scheduled care, and in collaboration with the relevant Committee. To further note, the discharge planning report was commented upon and the Audit Lead briefed the Committee on the publication. It was also confirmed that the recommendations had been included for onwards monitoring within the External Audit Tracker.</p> <p>AC24.104.5 An IM (RWJ) referred to assessment delays, along with the Trusted Assessment process. The IM also raised concern with the “ongoing” status within tracking reports. Measurement and timetabling of reporting along with key themes were also raised. The Audit Lead agreed that the ongoing status was not helpful. The Chair of the Health Board also requested the sharing of common themes in relation to access to Care Homes and access issues.</p> <p>RESOLVED: The Committee received and discussed the following Audit Reports:</p> <ul style="list-style-type: none"> • Discharge Planning Progress (Update) BCUHB. • Urgent and Emergency Care - Flow out of Hospital (North Wales region) 	
<p>AC24.105 Agree Items for referral to Board / other Committees</p> <p>AC24.105.1 There were no items discussed for referral to Board, or other Committees.</p>	
<p>AC24.106 Chairs Assurance Report</p> <p>AC24.106.1 The relevant items were noted for inclusion in the report.</p>	
<p>AC24.107 Review of Meeting Effectiveness</p>	

<p>AC24.107.1 Independent Member (UF) highlighted the importance of addressing the packed agenda and scheduling challenges faced by the committee.</p> <p>AC24.107.2 A discussion ensued on how to effectively manage the issues, with a consensus on the need for allocating more time. The Chair of the Committee agreed to extend the meeting's end time by half an hour.</p> <p>AC24.107.3 The Director of Corporate Governance noted to consider additional flexibility, in scheduling to accommodate the committee's needs, especially given the involvement of external attendees.</p> <p>AC24.107.4 The importance of involving Internal Audit in agenda planning was also noted.</p>	
<p>AC24.108 Date of next meeting</p> <p>Thursday 12th September 2024, 9.30-14.00pm</p>	
<p>AC24.109 Resolution to Exclude the Press and Public</p> <p><i>'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'</i></p>	