

UNCONFIRMED

ABERTAWE BRO MORGANNWG UNIVERSITY LHB MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON THURSDAY, 16TH NOVEMBER 2017 AT 9.30AM IN THE BOARDROOM, HQ

Present:	Martin Sollis	Non-Officer Member (in the chair)
	Maggie Berry	Non-Officer Member
	Tom Crick	Non-Officer Member
In Attendance:	Lynne Hamilton	Director of Finance (until minute 212/17)
	Paula O'Connor	Internal Audit
	Neil Thomas	Internal Audit (until minute 210/17)
	Huw Richards	NWSSP Audit and Assurance
	Carol Moseley	Wales Audit Office
	Geraint Norman	Wales Audit Office (until minute 213/17)
	Len Cozens	Head of Counter Fraud Service (until minute 212/17)
	Cathy Dowling	Interim Deputy Director of Nursing and Patient Experience (until minute 209/17)
	Liz Stauber	Committee Services Manager
	Jonathan Jones	NWSSP Post-Payment Verification Manager (for minute 195/17)
	Hamish Laing	Medical Director (from minute 196/17 to minute 199/17)
	Push Mangat	Deputy Medical Director (from minute 196/17 to minute 199/17)
	Sian Richards	Head of Digital Records and Information Assurance (for minute 196/17)
	Sharon Vickery	Head of Human Resources (delivery units and medical staffing (from minute 196/17 to minute 198/17)
	Kevin Duff	Service Manager Out-of-Hours Care/111 (for minutes 200/17)

Minute		Action
189/17	WELCOME AND APOLOGIES FOR ABSENCE Martin Sollis welcomed everyone to the meeting, in particular Tom Crick who was attending his first meeting and Cathy Dowling who was deputising for the Director of Nursing and Patient Experience. He added his thanks to Maggie Berry, who was standing down from the committee as part of a restructure of board arrangements, for her contributions over the past two years. Apologies for absence were received from Steve Combe, Director of Corporate Governance; Karen Jones, Assistant Director of Finance and Rory Farrelly, Interim Chief Operating Officer/ Director of Nursing and Patient Experience.	
190/17	DECLARATION OF INTERESTS	

There were no declarations of interest.

191/17 MINUTES OF THE PREVIOUS MEETINGS

The minutes of the meeting held on 14th September 2017 were **received** and **confirmed** as a true and accurate record except note the following amendment:

165/17 GP Out-of-Hours – bullet point three

‘to ensure performance indicators were recorded and shared with Welsh Government effectively’ be deleted and replaced with *‘in relation to performance management’*.

192/17 MATTERS ARISING

There were no matters arising.

193/17 ACTION LOG

The action log was **received** and **noted** with the following updates:

(i) Action Point Six – NWSSP Internal Audit Progress Report

Paula O'Connor advised that she had met with Martin Sollis to discuss the audit plan and 'limited assurance' reports.

(ii) Action Point Nine – Summary of Capital Contracts and Consultant Appointments

Lynne Hamilton confirmed that the summary of capital contracts and consultant appointments had been received by the investment and benefits group.

194/17 WORK PROGRAMME

The committee's work programme was **received** and **noted**.

195/17 POST-PAYMENT VERIFICATION MID-YEAR REPORT

Jonathan Jones was welcomed to the meeting.

The mid-year post-payment verification report was **received**.

In introducing the report, Jonathan Jones highlighted the following points:

- Good progress had been made with regard to the annual plan and revisits were currently being undertaken in areas in which errors had been identified;
- With regard to general medical services areas, errors had been identified within the care home and contraceptive enhanced services. Care home claims had been recovered where there was no evidence of a patient's annual review;
- Errors had been highlighted within general ophthalmic for supplement claims for tinted lenses;
- A remote access system had been developed which enabled

audits to be undertaken electronically rather than in person, requiring fewer resources to support visits from both the post-payment verification team and the practices being audited.

In discussing the report, the following points were raised:

Maggie Berry queried how the post-payment verification team linked with the health board's primary care service. Jonathan Jones advised that if queries arose, they were discussed with primary care managers, who were also included within the distribution of final reports and asked to review and contribute to the schedule of visits. Paula O'Connor added that the post-payment verification audit reports were received by the primary care management board and the unit's quality and safety committee.

Martin Sollis noted the close working relationship between the post-payment verification team and counter fraud service and queried how often investigations were instigated. Len Cozens responded that he met with Jonathan Jones on a regular basis during which the reports were scrutinised for sudden increases or changes in the number or type of errors. Martin Sollis commented that the committee needed significant assurance in this area and undertook to meet with the post-payment verification team to develop the report.

MS

Tom Crick queried how the team was able to determine whether outliers should be cause for concern. Jonathan Jones advised that local knowledge was key as not all contractors provided the same service and some may provide it on behalf of a cluster, therefore their claims would differ to that of their peers. He added that an analysis was undertaken at the beginning of the year to review performance and formulate a plan of visits.

Tom Crick queried if criminal investigations were undertaken. Len Cozens stated that these were rare as the work of the post-payment verification team mitigated the risk.

Geraint Norman queried the process should errors continued to be indentified within one practice or should one be considered 'high-risk'. Jonathan Jones advised that issues were escalated to the primary care team and general visits to the practice brought forward.

- Resolved:**
- The report be **noted**.
 - Martin Sollis to meet with post-payment verification team to develop the report to provide further assurance of the work being undertaken to investigate services in which repeated errors were indentified.

MS

196/17 INFORMATION GOVERNANCE BOARD UPDATE REPORT

Hamish Laing, Push Mangat, Sharon Vickery and Sian Richards were welcomed to the meeting.

A report providing an update from the Information Governance Board was **received**.

In introducing the report, Sian Richards highlighted the following

points:

- The Information Commissioner's office had concluded its follow-up audit and progress had been noted in all areas with no further issues reported;
- The annual report from the Senior Information Risk Owner was to be received at the December 2017 board meeting.

In discussing the report, the following points were raised:

Martin Sollis queried the likelihood of a further review by the Information Commissioner's office. Sian Richards advised that there was no precedent or plan with regard to the visits by the governing body but often they were reacting to an issue or undertaking a review at the request of the health board. Martin Sollis offered his congratulations to the information governance team on its work to support the audit and the positive feedback received.

Cathy Dowling sought details as to the learning taken from the recent data breach. Sian Richards responded that the progress was to be monitored by the information governance board and leads had been appointed in the various areas. She added that one of the key findings was the importance of having an information asset register and as such, a sub-group of the information governance board had been established to take this work forward.

Tom Crick queried how the importance of information governance was cascaded to staff as some may not realise how it aligned with their roles. Sian Richards commented that the Information Commissioner's office had noted an improvement in the number of staff completing the training. She added information governance leads within the units were having an impact and monthly performance reports were sent to managers identifying staff yet to complete the training. Hamish Laing advised that it had also been made clear to the units that they would be responsible for any fines received as result of data breaches.

Resolved:

- The report be **noted**.
- The decommissioning and disposal policy be **approved**.

SR

197/17 MEDICAL APPRAISAL TO SUPPORT REVALIDATION – ACTION PLAN PROGRESS REPORT

A report providing an update regarding the actions taken in response to the follow-up audit of medical appraisal to support revalidation was **received**.

In introducing the report, Push Mangat stated that since the update at the last meeting, correspondence had been sent to the units asking them to identify appraisal leads and two units had already taken this work forward.

In discussing the report, Martin Sollis sought confirmation that the need to prioritise this work was being stressed to the units. Push Mangat advised that regular meetings were taking place with the

units to ensure that this was understood.

Resolved: The report be **noted**.

**198/17 CONSULTANT CONTRACT FOLLOW-UP – ACTION PLAN
PROGRESS REPORT**

A report providing an update regarding actions taken following a Wales Audit Office review of consultant contracts was **received**.

In introducing the report, Push Mangat highlighted the following points:

- Training in relation to the new job planning guidance had commenced and teaching sessions for the new electronic job planning system were due to start the following week;
- It was expected that all doctors would have job plans by the end of the financial year, whether these were electronic or paper-based;
- The electronic system brought with it the opportunity to have consistency within the job plans as well as verify whether the process was being undertaken.

In discussing the report, the following points were raised:

Sharon Vickery advised that positive feedback had been received in relation to the revised job planning guidance as well as ideas for further development.

Martin Sollis queried how the quality of job plans was scrutinised. Hamish Laing responded that the electronic system would identify areas of inconsistency as well as drill down into specific areas to ensure the process was delivering as expected. He added it would also enable job planning to align with the organisation's objectives and determine the activity required for the following year.

Martin Sollis queried whether the recommendations within the follow-up audit were similar for other health boards. Carol Moseley advised that the number of outstanding recommendations was in-line with others and all health boards shared similar issues.

Martin Sollis noted that the action plan was estimated to be completed within 12 months. Hamish Laing confirmed that progress was on course for the action plan to be completed by the end of the financial year.

Cathy Dowling queried whether the issue was included on the corporate risk register. Hamish Laing advised that the Medical Director's department's risk register was under review and this would be included within it.

Martin Sollis suggested that an update be received in April 2018 and suggested discussions take place outside of the meeting with Wales Audit Office as to the most appropriate way to present the report. This was agreed.

HL/PM/CM

- Resolved:**
- The report be **noted**.
 - Update be received in April 2018.
 - Discussions to take place with Wales Audit Office as to the most appropriate way to present the report.

HL/PM
HL/PM/CM

199/17 MID-YEAR CLINICAL AUDIT PROGRESS REPORT

A report outlining mid-year clinical audit progress was **received**.

In introducing the report, Hamish Laing highlighted the following points:

- The health board focused on national mandated audits;
- Welsh Government had asked for a response to audit findings to be submitted within six weeks of an audit being published followed by an update in three months of action taken. However this was proving challenging as often when the audits were published, there was insufficient time to invite the relevant clinicians to the clinical outcome group;
- Findings of national clinical audits were routinely reported to the Quality and Safety Committee;
- The clinical audit policy was in the process of being revised and would be received by the Quality and Safety Committee in the new year for consideration.

In discussing the report, the following points were raised:

Maggie Berry noted that at recent meetings of the clinical outcomes group, not all the units had representatives in attendance and queried the level of engagement. Hamish Laing responded that attendance in general was good, but he had asked for this to be reviewed. He added that there were sometimes clashes with other high-profile meetings but if unable to attend, unit representatives were provided with the list of actions and asked to sign-off the proformas to Welsh Government.

Martin Sollis noted that there had been some examples of units not complying the national audits and queried if there were reasons as to why. Hamish Laing advised that overall, engagement with the audits was good, however there were some which proved challenging on a national basis, such as the chronic obstructive pulmonary disease audit, and so the health board was working with the national programme to address the issues. Martin Sollis queried the process should a concern arise with regard to non-compliance. Hamish Laing advised that this would be managed through the unit medical director.

Maggie Berry queried whether local audits were still undertaken. Hamish Laing responded that there was a requirement for all junior doctors to undertake local audits but as they took considerable time, it was possible that the junior doctor had moved to the next rotation before the audit was completed. He added that it was important that local audits had 'meaning' and were encouraged in areas which may

have a particular issue that the unit's clinical governance group wanted to improve.

Martin Sollis asked whether audits were included as part of appraisals. Hamish Laing confirmed that clinical staff were required to complete at least one audit every five years.

Resolved: The report be **noted**.

200/17 GP OUT-OF-HOURS

Kevin Duff was welcomed to the meeting.

A report outlining the management response to the Wales Audit Office review of GP out-of-hours was **received**.

In introducing the report, Kevin Duff highlighted the following points:

- The overall review had been positive, recognising that an effective service was being provided, however it did make some recommendations in relation to workforce and strategic planning for demand;
- A number of actions had already been completed including revising the workforce to include other health professionals, such as nurse practitioners and pharmacists, in addition to GPs;
- Due to the health board being a pilot site for the 111 programme, reporting performance in the same manner as other health boards was proving challenging as the IT systems were yet to be aligned. This was to be resolved on a national basis as 111 was implemented more widely.

In discussing the report, the following points were raised:

Martin Sollis queried if there were any risks to the out-of-hours service of which the committee needed to be aware. Kevin Duff advised that there was a risk to the provision of the service as Her Majesty's Revenue and Customs guidelines had changed in relation to tax for the GPs providing the service. This could lead to fewer GPs seeking shifts but it was too early for the risk to be quantified.

Martin Sollis commented that the review was fairly positive but the recommendations in relation to workforce were key. He added while it would take some time to gather the relevant information, planning for the future was where the work needed to start.

Maggie Berry commented that flexibility was needed in terms of primary care as members of the community continued to have difficulty in accessing such services, and there was a risk they would use out-of-hours services instead. Kevin Duff concurred, adding that more awareness work was required to make it clear that out-of-hours care was 'urgent' primary care rather than a replacement for the GP surgeries.

Resolved: The report be **noted**.

201/17

NHS WALES SHARED SERVICES PARTNERSHIP (NWSSP) INTERNAL AUDIT PROGRESS REPORT

A report providing an update on current and planned internal audit work was **received**.

In introducing the report, Neil Thomas and Huw Richards highlighted the following points:

- The remaining report from 2016-17 plan had been finalised;
- Since issuing the report, an action plan had been agreed in relation to the 'third sector commissioning/contracts' review;
- A number of changes had been proposed to the 2017-18 audit plan;
- The executive team had received a report at its recent meeting relating to limited assurance reports;
- Positive progress had been made in relation to the specialist services unit audit plan;
- The final report arising from the backlog maintenance review was issued in October 2017;
- Tenders had been invited to provide the external quality assessment of the internal audit service which would be completed before year-end.

In discussing the report, the following points were raised:

Martin Sollis stated it was important to note that as much work as possible was required in-year to improve the number of limited assurance ratings received. Paula O'Connor commented that she was meeting with the Chairman and Interim Chief Executive to discuss the reports.

Lynne Hamilton advised that a report was to be received by the executive team the following week regarding the final accounts for the Health Vision Swansea phase 1B (Morriston Hospital main entrance and outpatients) development.

Resolved:

- The report be **noted**.
- The proposed changes to the work plan for 2017/18 be **approved**.

PO'C

202/17

NWSSP AUDIT ASSIGNMENT SUMMARY REPORT

A report providing a summary of recently finalised internal audit work was **received** and **noted**.

203/17

WALES AUDIT OFFICE PROGRESS REPORT

A report providing an update on current and planned Wales Audit Office activity was **received**.

In introducing the report, Geraint Norman and Carol Moseley

highlighted the following points:

- The structured assessment and annual report were due to be received by the health board in January 2018;
- The charitable funds accounts had been signed off by the Auditor General the previous week;
- As part of the next year's audit plan, time would be set aside to support activities for the board's development;
- The work in relation to the public health audit had been completed and the report and action plan had been received by the Public Health Wales Audit Committee.

In discussing the report, the following points were raised:

Martin Sollis queried the clearance process for the structured assessment. Carol Moseley advised it would be discussed with the Chairman, Interim Chief Executive and Director of Finance early in December 2017.

Martin Sollis advised that he was discussing the public health review with the Director of Public Health with a view to her presenting the report and management response at an upcoming meeting.

Martin Sollis asked whether national reports were circulated to health boards. Carol Moseley advised that this was only the case if they had contributed to the process in which case the report was shared with the Chief Executive.

Resolved: The report be **noted**.

204/17 REVIEW LOSSES AND SPECIAL PAYMENTS

A report providing an update on losses and special payments for the period 1st August 2017 to 30th September 2017, including an analysis of gross losses, was **received**.

In introducing the report, Lynne Hamilton advised that for the period there were losses and special payments totalling £1,492,170, of which £959,418 will be recovered from the Welsh Risk Pool and £47,803 from Welsh Government, leaving an actual loss to the health board of £484,949.

Resolved:

- The report be **noted**.
- Losses and special payments totalling £1,492,170, of which £959,418 will be recovered from the Welsh Risk Pool and £47,803 from Welsh Government, leaving an actual loss to the health board of £484,949 be **agreed** for approval by the health board.

MS/LS

205/17 AUDIT REGISTERS AND STATUS OF RECOMMENDATIONS

A report outlining an update with regard to audit registers and action plans was **received**.

In introducing the report, Lynne Hamilton stated that the report was

to be revised to include more context for outstanding recommendations such as the rating of the audit, whether this had changed since a previous review and the length of time that the recommendations had been outstanding.

Resolved: The report be **noted**.

206/17 FINANCE UPDATE

An oral report providing an update in relation to the financial position was **received**.

In introducing the report, Lynne Hamilton highlighted the following points:

- The period seven overspend was £2.567m which was better than the £3m expected run rate however a substantial reduction in expenditure was still needed to achieve the Welsh Government agreed control total of £36m by year-end;
- A plan was to be submitted later that month with regard to the plan for referral to treatment time (RTT) performance but until it was agreed, this remained a significant risk to the achievement of a satisfactory year-end performance;
- A report was to be agreed at the upcoming executive team meeting regarding an issue relating to the roll-out of an IT system within the emergency departments.

Resolved: The report be **noted**.

207/17 NWSSP: SINGLE TENDER ACTIONS AND QUOTATIONS

A report detailing single tender action and quotations from June 2017 until October 2017 was **received** and **noted**.

208/17 CORPORATE RISK REGISTER

The corporate risk register was **received** and **noted**.

209/17 LOCAL COUNTER FRAUD SERVICE PROGRESS REPORT

A report outlining progress of the local counter fraud service was **received**.

In introducing the report, Len Cozens highlighted the following points:

- An increasing trend had been identified in relation to the number of investigations required but this aligned with the successful awareness sessions undertaken by the team as staff now knew what to look for and how to report concerns;
- The National Fraud Initiative data-matching exercise results had been published and investigative work was now taking place within the health board with regard to applicable matches. No issues or concerns had been highlighted to

date.

Resolved: The report be **noted**.

210/17 STANDARDS OF BUSINESS CONDUCT

A report proposing changes to the standards of business conduct was **received**.

In discussing the report, the following points were raised:

Martin Sollis undertook to discuss with the Director of Corporate Governance ways in which to seek regular returns of declarations of interest, gifts and hospitality.

Geraint Norman stated that the registers needed to be clear on what had been offered and whether it had been accepted or declined. Martin Sollis concurred, adding that the range of items which could be offered was significant but the main issue was the context.

MS

- Resolved:**
- The report be **noted**.
 - Martin Sollis to discuss with the Director of Corporate Governance ways in which to seek regular returns of declarations of interest, gifts and hospitality.

MS

211/17 SCHEME OF DELEGATION

A report outlining proposed changes to the scheme of delegation was **received** and **approved**.

SC

212/17 ORACLE – NEW SERVICE PROVIDER

A report setting out the implementation of the all-Wales contract for the financial management solutions enterprise systems was **received**.

In introducing the report, Andrew Biston highlighted the following points:

- The service was to be provided by the current supplier however the new contract would entail the implementation of new hardware;
- Arrangements were in place to mitigate any risks during the changeover.

Resolved: The report be **noted**.

213/17 PROCUREMENT COMPLIANCE PROCEDURE

A report outlining the procurement procedure for non-pay expenditure was **received**.

In introducing the report, Andrew Biston explained that a new procedure was to be implemented whereby invoices would not be paid unless they had a purchase order number, however there

would be exceptions.

In discussing the report, the following points were raised:

Paula O'Connor queried how the policy would manage capital expenditure. Andrew Biston undertook to clarify this for the next meeting.

Martin Sollis stated that while the policy was a good idea, it was difficult to see how it would be rolled-out. Paula O'Connor advised that this was being considered through an analysis by the all-Wales group.

LH

- Resolved:**
- The report be **noted**.
 - Clarification be given at the next meeting as to how capital expenditure would be managed.

LH

214/17 SELF-ASSESS COMMITTEE'S EFFECTIVENESS

An oral report regarding the committee's assessment of its effectiveness was **received**.

In introducing the report, Martin Sollis advised that the item was to be deferred for 12 months to reflect the changing membership and to allow new members and executives time to understand the role and remit of the committee.

- Resolved:** The report be **noted**.

215/17 FINANCIAL CONTROL PROCEDURE REVIEW PLAN

The review plan for the financial control procedure was **received** and **noted**.

216/17 ANY OTHER BUSINESS

There was no further business and the meeting was closed.

217/17 NEXT MEETING: Tuesday, 23rd January 2017, 9.30am, Board Room, Headquarters.