

Swansea Bay University Health Board
Unconfirmed
Minutes of the Meeting of the Audit Committee
held on Tuesday, 13th July 2021 at 9.30am
Microsoft Teams

Present:

Nuria Zolle	Independent Member (in the Chair)
Tom Crick	Independent Member

In Attendance:

Pam Wenger	Director of Corporate Governance
Christine Williams	Interim Director of Nursing and Patient Experience (from minute 93/21)
Andrew Biston	Head of Accounting and Governance
Darren Griffiths	Interim Director of Finance and Performance
Helen Higgs	Head of Internal Audit
Dave Thomas	Audit Wales
Jason Blewitt	Audit Wales
Hazel Lloyd	Head of Risk (from minute 90/21 to 93/21)
Leah Joseph	Corporate Governance Officer
Huw Richards	NHS Wales Shared Services Partnership – Audit and Assurance
Matt John	Director of Digital (from minute 91/21 to 92/21)
Carl Mustad	Head of ICT Operations (from minute 91/21 to 92/21)
Julian Quirk	Acting Deputy Director of Workforce and OD

Minute No.		Action
84/21	APOLOGIES	
	The following apologies were noted: Stephen Spill, Vice Chair; Martyn Waygood, Independent Member; Jackie Davies, Independent Member; Len Cozens, Head of Compliance; Osian Lloyd, Deputy Head of Internal Audit.	
85/21	WELCOME / INTRODUCTORY REMARKS	
	The chair welcomed everyone to the meeting.	
86/21	DECLARATION OF INTERESTS	

	There were none.	
87/21	MINUTES OF THE PREVIOUS MEETING	
	The minutes of the meetings held on 18 th May 2021 and 7 th June 2021 were received and confirmed as a true and accurate record.	
88/21	MATTERS ARISING	
	There were no items raised under matters arising.	
89/21	ACTION LOG	
Resolved:	The action log was received and noted .	
90/21	AUDIT REGISTERS AND STATUS OF RECOMMENDATIONS	
	<p>A report providing an update on the audit registers and status of recommendations was received.</p> <p>In introducing the report, Pam Wenger highlighted the following points:</p> <ul style="list-style-type: none"> - The previous report was focused on limited reports, however this has been expanded to include other assurance reports; - Slight admissions have been noted within the previous report, and the Executive team have been updating the registers and the progress made. <p>In discussing the item, the following points were made:</p> <p>Nuria Zolle queried if the distribution of reports had been resolved. Pam Wenger advised that this had been corrected and the finance team have received the required reports and the data is being cleansed. Andrew Biston supported Pam Wenger's comments and advised that the process of circulating audit reports had been worked through with service groups to ensure that the financial governance mailbox is included. He noted that the Head of Compliance is working closely with the finance team on historical data which is expected to be completed soon.</p> <p>Nuria Zolle noted the limited assurance report previously received from internal audit surrounding discharge planning. Pam Wenger advised that a report had previously been taken through the Quality and Safety Committee, however it would be sensible to query if members of that</p>	

	committee received an update for assurance surrounding recommendations, mitigating risks, and whether the risks could be managed better.	PW
Resolved:	<ul style="list-style-type: none"> - Pam Wenger to query whether the Quality and Safety Committee have received an update for assurance surrounding discharge planning recommendations, mitigating risks, and whether the risks could be managed better. - The current position of the Audit Registers and the status of the action plans was noted. 	PW
91/21	UPDATE ON RISK MANAGEMENT	
	<p>(i) Health Board Risk Register</p> <p>An update on the Health Board risk register was received.</p> <p>In introducing the report, Hazel Lloyd highlighted that the Health Board Risk Register (HBRR) currently contains 39 risks, of which 22 have risk scores at, or above, the health board's current appetite of 20.</p> <p>In discussion, the following points were raised:</p> <p>Tom Crick advised that employment of the substantive Director for Workforce and OD was high on the committee's agenda to ensure the transition from one executive to another.</p> <p>Pam Wenger advised that she has met with Executive Directors and the report demonstrated progress made. The report will be taken through July's Management Board and Health Board meetings.</p> <p>Darren Griffiths advised that the finance risk is assessed each month at Performance and Finance Committee. The discretionary capital plan risk was closed towards the end of last year, and there is a reflection that the risk process is working due to the dynamic checks in place to enable the closure of risks.</p> <p>Nuria Zolle queried if the rate of 12 for the nosocomial risk was sustainable, and whether the rate was based on a broader perspective. She requested that the nosocomial transmission risk is referred to the Quality and Safety Committee for comments.</p> <p>Nuria Zolle highlighted that clarity is needed around personal protective equipment (PPE) concerns raised by trade unions and ultimately whether a ministerial decision needs to be made surrounding national guidance. Tom Crick advised that as Vice Chair of the Health and Safety Committee, he would take this action forward to obtain clarity of the risks and</p>	<p>NZ</p> <p>TC</p>

	<p>mitigating actions at October's meeting.</p> <p>(ii) Data Centre Risk</p> <p>An update on the data centre risk was received.</p> <p>In introducing the report, Carl Mustad highlighted the following points:</p> <ul style="list-style-type: none"> - The National Data Centre risk score is currently 20; - One of the aims to reduce the risk is to establish a better service by transitioning from a tier 2 to a tier 3 data centre; - There has been significant improvement in the robustness of the laboratory systems since the software and hardware update in December 2020; - The systems are being migrated from 30th July 2021 to 3rd October 2021. <p>In discussion, the following points were raised:</p> <p>Nuria Zolle found the report and verbal update helpful and hoped that the rate would reduce following the mitigating actions.</p> <p>Tom Crick queried the longer term plans to ensure resilience and whether the health board was planning to move to a private/ public cloud or whether it would be phased national approach. Carl Mustad advised that Audit Wales Infrastructure Board are looking at longer term processes with a hybrid option being a possibility over the next few years. Public facing systems have moved to cloud based services, and the private cloud would be included for clinical areas. Matt John assured committee members that there was a robust process in place.</p> <p>Tom Crick queried whether appropriate service level agreements were in place and also if the governance was clearer following the new relationship with Digital Health and Care Wales (DHCW). Matt John advised that discussions are ongoing with DHCW, however currently they do not have a full executive team. The service level agreement is still in place, but this does need to be pursued with DHCW. It is positive that the organisation exists, but there is a need to put work into the actions. Carl Mustad advised that service level agreement meetings are taking place quarterly instead of annually. Tom Crick noted that the Audit Committee needs to monitor this going forward.</p>	
Resolved:	<ul style="list-style-type: none"> - Nosocomial transmission risk be referred to the Quality and Safety Committee for comments. - Trade Union concerns around PPE to be discussed at the next Health and Safety Committee. 	<p>NZ</p> <p>TC</p>

	<ul style="list-style-type: none"> - The updated Health Board Risk Register and process ongoing to enhance and refresh its content was noted. - The continuation of the risk appetite limit of 20, ahead of further consideration and approval by the Board was endorsed. - The rationale for the current National Data Centre risk score of 20 was noted. - The current status of the National Data Centre Transition Project was noted. - The intention to review the Health Board's National Data Centre risk score in Q4 once the success of the transition has been evaluated was noted. 	
92/21	BOARD ASSURANCE FRAMEWORK	
	<p>An update was provided on the Board Assurance Framework (BAF).</p> <p>In introducing the report, Pam Wenger highlighted the following points;</p> <ul style="list-style-type: none"> - A version of the BAF was taken through Audit Committee in March 2021. Further work has been consistent with the risk management report and implementation of the BAF is key; - The finalised updated version of the BAF would be taken through July's Management Board and Health Board meetings; - The BAF is a continuous process with continuous progress being made. <p>In discussion of the report the following points were raised:</p> <p>Nuria Zolle was pleased to see the development of the BAF and noted that it was a live document which needed to be developed and implemented. She noted the need to think about how the BAF captures cross cutting issues outlined in 'A Healthier Wales', e.g. Coproduction, changing clinical decision. She queried whether SBUHB are including broader strategic changes, and noted that it was an observation for review in the future. Pam Wenger thanked Nuria Zolle for her comments and noted that comments would be taken and worked through at July's Health Board meeting.</p>	
Resolved:	The BAF was noted .	
93/21	INTERNAL AUDIT ASSIGNMENT SUMMARY AND PROGRESS REPORT	

	<p>The internal audit assignment summary and progress report was received.</p> <p>In introducing the report, Helen Higgs highlighted the following points:</p> <ul style="list-style-type: none"> - Since the previous meeting, six reports from the 2020/21 Internal Audit Plan have been finalised and this completed their work for 2020/21; - Internal Audit is happy with progress made on the 2021/22 Internal Audit Plan to date'. <p>In discussion of the report, the following points were raised:</p> <p>Nuria Zolle queried the red, amber and green (RAG) system for the progress against the 2021/22 internal audit plan. Helen Higgs advised that red category represents the audits not yet initiated, however SBUHB are engaging with the team in readiness for the audits.</p> <p>Nuria Zolle suggested that the water safety audit 'limited' assurance is reviewed by the Health and Safety Committee. Pam Wenger advised that audits are overseen by the Health and Safety Committee and suggested that the committee seeks assurance from progress on delivery of actions. Tom Crick agreed to take this action forward as Vice Chair of the Health and Safety Committee.</p>	TC
Resolved:	<ul style="list-style-type: none"> - Water Safety Audit to be referred to Health and Safety Committee for assurance surrounding the progress on delivery of actions. - The report was noted. 	TC
94/21	FINAL HEAD OF INTERNAL AUDIT ANNUAL REPORT AND OPINION	
Resolved:	The final Head of Internal Audit Annual Report and Opinion was received and noted .	
95/21	POST PAYMENT VERIFICATION REPORT	
Resolved:	The Post payment verification report was received and noted .	
96/21	AUDIT WALES PERFORMANCE AND PROGRESS REPORT	
	<p>The Audit Wales performance report was received.</p> <p>In introducing the report, Dave Thomas highlighted the following points:</p>	

	<ul style="list-style-type: none"> - The structured assessment has been split into two parts. The first phase document is out for clearance, and phase two is beginning; - A report on governance arrangements is going to Welsh Health Specialised Services Committee (WHSSC) today; - He will write to Board Secretaries for options to note the report at future Audit Committee meetings. <p>In discussion of the report, the following points were raised:</p> <p>Jason Blewit advised that the accounts work had been signed off in June 2021 and were with the Senedd, and SBUHB's Charitable Fund Accounts review is due in October 2021.</p> <p>Pam Wenger advised that she received the draft report on 12th July 2021 on phase one of the structured assessment, and noted that it was a positive report. The report was going through clearance with the Director of Strategy, and was pleased to confirm that no recommendations were received. She noted that WHSSC's response will be brought back to Audit Committee for due process.</p> <p>Dave Thomas advised that he had not yet seen the draft report, however he was grateful to SBUHB for the involvement to ensure the report was completed in a timely manner. He would provide Pam Wenger with an update in the next few weeks.</p>	
Resolved:	The Audit Wales performance and progress report was noted .	
97/21	AUDIT WALES VACCINATION REPORT	
	<p>The Audit Wales vaccination report was received.</p> <p>In introducing the report, Dave Thomas highlighted the following points:</p> <ul style="list-style-type: none"> - A positive report highlighting Wales' achievements which reflected the way systems worked together; - It was noted that staff had gone above and beyond throughout a difficult year; - It was practical to flag future challenges and the programme now needs to move into the longer term strategy in terms of planning which would include vaccination centre estates and staffing; - Welsh Government will make a formal response and share via Board Secretaries. <p>In discussion of the report, the following points were raised:</p>	

	Nuria Zolle commented that the report was excellent, but it posed many challenges going forward. She informed committee members that historical vaccination take up issues is being discussed at Quality and Safety Committee.	
Resolved:	The report was noted .	
98/21	FINANCE UPDATE	
	<p>Darren Griffiths provided a verbal update on the financial position and highlighted the following points:</p> <ul style="list-style-type: none"> - The financial position for month 3 stood at an in-month overspend of £6m which had been expected. All budget heads are balanced, except for Mental Health and Learning Disabilities; - There is an expectation that £120m will be received from Welsh Government this financial year which would cover off PPE, test, trace and protect (TTP), vaccination and the broader aspect of COVID-19; - The current financial plan stands at a forecast deficit of £24m, however SBUHB have asked Welsh Government to discuss the possibility of a better current plan; - £16.2m has been received from Welsh Government to manage the COVID-19 recovery which is linked to the risk on the HBRR. The Chief Executive is working through options at Neath Port Talbot Hospital and Singleton Hospital to optimise theatre capacity. <p>In discussion of the update, the following points were raised:</p> <p>Nuria Zolle was pleased with the update, but noted that the spend surrounding the COVID-19 recovery would need monitoring. Darren Griffiths advised that the financial update would be taken through July's Management Board, Performance and Finance Committee and Health Board.</p> <p>Tom Crick noted that the COVID-19 financial reconciliation would need to be kept under review. Darren Griffiths stated that to improvement a risk outcome, an extra cost against the health board's deficit may be incurred and work is ongoing to offset the costs.</p>	
Resolved:	The finance update was noted .	
99/21	NWSSP PROCUREMENT: SINGLE TENDER ACTIONS AND QUOTATIONS	

	<p>The NWSSP Procurement: single tender actions and quotations report was received.</p> <p>In introducing the report, Darren Griffiths highlighted that the contract for the security on vaccination estates was extended following funding received via Welsh Government.</p> <p>In discussing the report, the following points were raised:</p> <p>Nuria Zolle requested assurance on the robust process if SBUHB were to retender the security contract in the future. Darren Griffiths advised that the team did test the market, however there was no other company that was able to provide the required level of security. Nuria Zolle thanked Darren Griffiths for the update.</p>	
Resolved:	<p>The NWSSP Procurement: single tender actions and quotations report was noted.</p>	
100/21	<p>COUNTER FRAUD ANNUAL REPORT 2020/21 AND ANNUAL PLAN 2021/22</p>	
	<p>The Counter Fraud Annual Report 2020/21 and annual plan 2021/22 were received.</p> <p>In introducing the report, Matt Evans highlighted the following points:</p> <ul style="list-style-type: none"> - The past year was challenging, however there was a low friction strategy in place which mitigated risks; - Full compliance is expected in relation to the counter fraud work plan 2021/22; - The self-review tool kit reflects a health position; - Three areas on the work plan need additional work, however the quality assurance team have provided an update. Metrics will be used by the team to drive change, and there has been a marked reduction review tool kit returns which reflects that there is less work to do in reality. <p>In discussion the following points were raised:</p> <p>Nuria Zolle was content with the annual plan. Committee members agree to approve the annual work plan.</p>	
Resolved:	<ul style="list-style-type: none"> - The Counter Fraud Annual Report was noted. - The Counter Fraud Annual Work Plan was approved. 	

101/21	INFORMATION GOVERNANCE BOARD UPDATES	
Resolved:	The information governance board updates were received and noted .	
102/21	DECLARATIONS OF INTEREST AND HOSPITALITY REGISTERS	
	<p>The Declarations Interest and Hospitality Registers were received.</p> <p>In introducing the report, Pam Wenger highlighted the following points:</p> <ul style="list-style-type: none"> - The Health Board's Standards of Business Conduct Policy was reviewed last year in light of the COVID-19 pandemic; - The gifts and donations remains a priority area going forward to ensure these are declared; - A range of hospitality gifts were received throughout the COVID-19 period, and the fundraising team have taken the lead to declare donations and gifts. <p>In discussion the following points were raised:</p> <p>Nuria Zolle thanked the fundraising team for their involvement in collating the donations and gifts information.</p> <p>Pam Wenger advised that she had challenged Emergency Medical Retrieval and Transfer Service regarding whisky donations.</p> <p>Helen Higgs advised that an internal audit standard business review of Standards of Business Conduct – Declarations' is due in Quarter 3.</p>	
Resolved:	The Declarations Interest and Hospitality Registers were noted .	
103/21	ANY OTHER BUSINESS	
Resolved:	There was no further business and the meeting was closed.	
104/21	DATE OF NEXT AUDIT COMMITTEE MEETING	
	The date of the next meeting was confirmed as 14 th September 2021.	