

CONFIRMED

ABERTAWE BRO MORGANNWG UNIVERSITY LHB MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON THURSDAY, 24TH JANUARY 2019 IN THE MILLENNIUM ROOM, HQ

Present:	Martin Sollis	Independent Member (in the chair)
	Martyn Waygood	Independent Member
In Attendance:	Lynne Hamilton	Director of Finance
	Andrew Biston	Head of Accounting and Governance
	Neil Thomas	Internal Audit
	Paula O'Connor	Internal Audit
	Simon Cookson	Internal Audit (until minute 13/19)
	Carol Moseley	Wales Audit Office
	Jason Blewitt	Wales Audit Office
	Len Cozens	Head of Counter Fraud
	Gareth Howells	Director of Nursing and Patient Experience
	Pam Wenger	Director of Corporate Governance
	Liz Stauber	Committee Services Manager
	Richard Evans	Medical Director (for minute 08/19)

Minute		Action
01/19	WELCOME AND APOLOGIES FOR ABSENCE Apologies for absence were received from Mark Child, Non-Officer Member; Tom Crick, Non-Officer Member; Dave Thomas, Wales Audit Office and Huw Richards, Internal Audit.	
02/19	DECLARATION OF INTERESTS Paula O'Connor advised that she remained a lay member and chair of the City and County of Swansea Council's Audit Committee and declared an interest for this and subsequent meetings.	
03/19	MINUTES OF THE PREVIOUS MEETINGS The minutes of the meeting held on 15 th November 2018 were received and confirmed as a true and accurate record.	
04/19	MATTERS ARISING There were no matters arising.	
05/19	ACTION LOG The action log was received and noted .	
06/19	WORK PROGRAMME The committee's work programme was received and noted .	
07/19	AUDIT REGISTERS AND ACTION PLANS	

A report providing an update in relation to audit registers and action plans was **received**.

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

- The number of outstanding recommendations had increased;
- Due to pressure relating to the Bridgend boundary change, the finance team had been less proactive in seeking updates from the executive directors;
- A number of the recommendations had changes in executive lead following revised portfolios;
- Currently all the outstanding recommendations for the external audit of the consultant contract were listed six times in order to be attributed to each of the units, and discussions were to be undertaken with the Medical Director to correlate this so they were included once.

In discussing the report, the following points were raised:

Martin Sollis commented that it was the aim of the committee to support the health board to have fewer outstanding recommendations to internal and external audits, so it was disappointing to see an increase in the number, particularly as the timescales had been set by those responsible for the actions. He added that there should be no tolerance for non-delivery and people needed to be reminded of their responsibilities.

Gareth Howells stated that the delays partly related to systems and processes, and the executive team should be reminded of when the audit registers were to be updated for reporting to the committee. Andrew Biston undertook to share the deadlines with the executive team again.

AB

- Resolved:**
- The report be **noted**
 - Deadlines for updates to the audit registers to be shared with the executive team.

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08/19 STATUS OF AUDIT RECOMMENDATIONS: MEDICAL DIRECTOR

Richard Evans was welcomed to the meeting.

A report setting out progress against audit recommendations specific to the portfolio of the Medical Director was **received**.

In introducing the report, Richard Evans highlighted the following points:

- The report had been an opportunity as the new Medical Director to reflect on the challenges and constraints in relation to audit recommendations;
- Workforce lists were only held by the units therefore there was no central assurance as to the establishments. The units had been asked to provide this information, which was an

opportunity for the organisation to better understand its vacancy profile and address other workforce recommendations;

- A deputy medical director had now been requested to review the issues relating to medical devices;
- The proposed system for the roll-out of the medical examiner role was changing, which would have an impact on the recommendations relating to mortality reviews;
- Work was being undertaken to better understand the backlog of stage two mortality reviews and the resources needed to address it so a decision could be made as to whether to draw a line on some older ones to allow more focus on current ones;
- Currently clinical audit governance days took place bi-monthly and it was proposed that these be changed back to half a day per month to provide a system for more current learning;
- As consultants could select their own appraiser, there was a gap in the appraisal process as the clinical director was not always sighted. A way to address this was being considered.

In discussing the report, the following points were raised:

Martyn Waygood sought clarity as to whether the list of appraisers from which consultants could select was validated. Richard Evans advised that they were trained to a level of competency and samples of the appraisals they undertook were quality assured. He added that a consultant could not select the same appraiser more than twice and consideration was to be given to establishing guidance which ensured that the clinical director must undertake at least one appraisal during a five-year cycle.

Martin Sollis commented that it would be difficult to demonstrate progress for some of the recommendations and the directorate needed to ensure it was setting realistic timescales for itself.

Martin Sollis advised that he had received a request from Richard Evans to delay an internal audit review of patient recorded outcome measures (PROMS) for the appropriate staffing and process to be put in place in order for the system to be successful. He queried the timescales for this to occur. Richard Evans responded that PROMS were being recorded in some areas already and funding had been agreed for four clinical sessions to be split across primary and secondary care to take forward the approach. Martin Sollis stated that he was content for the internal audit review to be deferred on condition that he received a high-level plan for the work required in the interim. This was agreed.

Martin Sollis stated that risk management was improving and the risk register now reflected the organisation's top risks. He queried if they reflected Richard Evans's concerns. Richard Evans responded that it was more or less a reflection of his concerns but there would always be new challenges appearing on the radar. He added that confirmation needed to be sought as to what the board and its

RE

committees had been sighted on and what still needed to be highlighted.

- Resolved:**
- The report be **noted**.
 - Internal audit review of PROMS be deferred on condition that a high-level plan of the work required in the interim be provided to the committee chair.

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09/19 STRATEGIC RISK REPORT

A report setting out the health board risk register was **received**.

In introducing the report, Gareth Howells and Pam Wenger highlighted the following points:

- A robust risk and escalation process was now in place;
- The health board currently had three/four major risks;
- There was now reporting and executive oversight of critical issues but still some work to be undertaken in relation to ownership;
- The board-wide risk register had been refreshed and aligned with that of the units and the ward to board dashboard;
- The units now provided exception reports to the risk management group which served as an escalation process to the executive team.

In discussing the report, the following points were raised:

Martin Sollis commented that the inclusion of mitigating action was an improvement in the process alone but the key element would be keeping the board sighted on the significant risks.

Gareth Howells stated that it had been refreshing to see the units' engagement with the process as it was the way in which the risk process should be managed.

Martyn Waygood noted the progress made with regard to the risk process, adding that during the previous year, no-one would have been in a position to make the board or committees aware of such issues. He added that a significant number related to quality and safety and as the new chair of that committee, he would discuss further with Gareth Howells ways in which he could seek assurance as to action.

Paula O'Connor advised that internal audit colleagues were in the process of a review of the area and progress had been evident.

Martin Sollis queried the frequency with which the register would be reported to board. Pam Wenger advised that it would be bi-annually in March and September.

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

10/19 INTEGRATED GOVERNANCE WORK PROGRAMME

A report providing an update in relation to the integrated governance work programme was **received** and **noted**.

11/19

SAFEGUARDING REPORT

A report providing an update in relation to safeguarding was **received**.

In introducing the report, Gareth Howells highlighted the following points:

- The report provided an overview of the various processes to manage cases;
- Deprivation of liberty safeguards (DoLS) remained a challenge but the process to appoint a designated lead was in progress;
- Safeguarding processes were more passive in some areas than others but a new head of service had been appointed which was an opportunity to make changes.

In discussing the report, the following points were raised:

Martyn Waygood sought clarity as to the high number of cases. Gareth Howells responded that it was not necessarily a reflection that harm had been caused for all cases and training was being provided to ensure staff could identify harm appropriately.

Martyn Waygood referenced training in relation to the Mental Capacity Act, adding that while clinical staff completed it, consideration needed to be given to extending it to volunteers, porters, domestics and others who had regular contact with patients. Gareth Howells advised that those who provided hands-on care were prioritised in terms of training in relation to the act but all staff were provided with some level of safeguarding training.

Martyn Waygood queried the success of the national process identifying safeguarding issues in relation to trafficking. Gareth Howells advised that no incidents had been raised where the primary issue related to trafficking.

Martin Sollis stated that it was a comprehensive report which was pleasing to see, as the number of limited assurances reports was cause for concern. Confidence could be taken from this report that it was now being addressed. He added that the rates of suicides among young people were high and queried as to how this and other key issues would be brought to the board's attention. Gareth Howells provided assurance that the reporting process had improved and a regular safeguarding report was provided the Quality and Safety Committee.

Martin Sollis stated that it was important to give recognition to the staff working in the area. He also stated that the board needed to be sighted on key issues. Gareth Howells's concurred, adding that the level of detail that staff had to be aware of, particularly in cases relating to children, was significant, and consideration could be

given to providing an update at a board development session.

Resolved The report be **noted**.

**12/19 NHS WALES SHARED SERVICES PARTNERSHIP (NWSSP)
INTERNAL AUDIT PROGRESS AND ASSIGNMENT SUMMARY**

A report setting out progress and assignment summaries of internal audits was **received**.

In introducing the report, Neil Thomas highlighted the following points:

- Eight final reports had been issued since the last meeting, one of which had a *limited assurance* rating (follow-up of fire safety);
- One draft had been issued and eight audits were in progress;
- Work was to recommence late February 2019 in relation to the ARCH (A Regional Collaboration for Health);
- The scope had been agreed for the follow-up review for medical locums.

In discussing the report, the following points were raised:

Martin Sollis queried if the full report of the fire safety follow-up had been received by the Health and Safety Committee. Martyn Waygood confirmed that it had and members had made it clear that it was unacceptable and could not occur again. He added that the committee had received assurance that the issues would be addressed. Gareth Howells advised that he was now the executive lead for health and safety and he recognised the severity of issues. He provided assurance that the actions would be followed-up.

Martin Sollis queried if there was sufficient workforce audit coverage in order for the head of internal audit opinion to be formed. Paula O'Connor advised that she had met with the Director of Workforce and Organisational Development (OD) to focus on priority areas and this should provide sufficient coverage.

Martin Sollis stated that it was pleasing to see so many *substantial assurance* ratings in this report but there needed to be more. He added that there was some evident improvement.

Martyn Waygood queried as to when the follow-up audits of mortality reviews and protection of vulnerable adults (PoVA) would take place. Paula O'Connor advised that both would be included as part of reviews planned for 2019-20. Gareth Howells added that consideration needed to be given as to how board oversight would be given as it was not clear if members were aware of all the challenges. He provided assurance that there were plans and mitigating actions in place to address these.

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

- Proposed changes to the audit plan be **approved**

PO'C

13/19 **WAST INTERNAL AUDIT REPORT**

An update on progress against a recent Welsh Ambulance NHS Trust (WAST) internal audit report was **received** and **noted**.

14/19 **WALES AUDIT OFFICE PROGRESS REPORT**

The progress report from Wales Audit Office was **received**.

In introducing the report, Carol Moseley highlighted the following points:

- The annual audit plan for 2019 would come to the March 2019 Audit Committee;
- A portion of the local audit time for 2017 had been offered to support a board development session which was yet to go ahead due to timing. While the 2017 audit plan had closed, there was still the intention to provide this;
- The national review of radiology had been published and the health board had been below average in terms of expenditure.

Resolved: The report be **noted**.

15/19 **WALES AUDIT OFFICE 2018 ANNUAL REPORT**

The 2018 Wales Audit Office annual report was **received**.

In introducing the report, Carol Moseley highlighted the following points:

- The annual report summarised the findings of the 2018 annual audit plan;
- The Auditor General had provided a unqualified opinion on the preparation of the annual accounts but a qualified one due the overspend position, as well as a substantive report as a result of the lack of having an approved integrated medium term plan.

In discussing the report, Martin Sollis noted the number of outstanding recommendations in relation to the national fraud initiative. Len Cozens advised that the majority had been addressed with those remaining to be actioned by March 2019. Carol Moseley provided assurance that as part of the work, no significant fraud had been identified in relation to the health board, therefore assurance could be taken by the committee that health board's counter fraud arrangements were working effectively.

Resolved: The report be **noted**.

16/19 **2018 STRUCTURED ASSESSMENT**

The 2018 Wales Audit Office structured assessment was **received**.

In introducing the report, Carol Moseley highlighted the following points:

- 10 out of the 18 recommendations from 2017 had been completed. Progress was evident against those which remained;
- Part of the fieldwork for the 2018 assessment included a board survey, the results of which had been shared with the Chair and Chief Executive;
- There were clear signs of leadership and ownership within the organisation;
- There was a need to improve the quality agenda;
- There were still some workforce and asset risks to be addressed.

In discussing the report, the following points were raised:

Martin Sollis stated that it would be useful to have a board development session on the findings. He commended Pam Wenger for the significant work which she had undertaken to improve the position with fellow executive directors. Pam Wenger advised that this would be incorporated into the agenda for the February 2019 meeting in order to build on the feedback and do things differently.

Martin Sollis stated that it was a well balanced report which clearly identified that improvements had been made. He added that the pressure of the Bridgend boundary change should not be underestimated and staff were managing this on top of their day job.

Martyn Waygood noted that the workforce data was collated in July 2018, adding that it just provided a snapshot in time. Carol Moseley advised that at the time that the report was developed, this was the last available data but an improvement in the trajectories had been noted.

Len Cozens advised that he was meeting with Lynne Hamilton the following week to develop the local counter fraud plan which would include the national fraud initiative.

Resolved The report be **noted**.

17/19 PRIMARY CARE REPORT

A report setting out the findings of a national review of primary care was **received**.

In introducing the report, Carol Moseley highlighted the following points:

- One of the critical challenges would be staffing services closer to home as resources were the biggest issue identified;
- There was good focus on sustainability of practice but there

were difficulties in recruiting to a multi-disciplinary team;

- The formatting of the NHS Wales organisations' annual accounts made it challenging to separate the monies spent within primary care;
- Conflicting priorities within the clusters meant that there was some frustration at not being able to pilot or mainstream some initiatives.
- More visibility was needed at board level;

In discussing the report, the following points were raised:

Martin Sollis stated that it was unclear as to where on the board's agenda primary care was being covered and it was therefore difficult to know to which board committee the report should be referred.

Pam Wenger undertook to clarify this.

Lynne Hamilton stated that in reference to the format of the annual accounts, this was set at a national level and was not in the health board's power to change. Carol Moseley concurred, adding that now all the data had been received, a national summary report could be drafted.

PW

Resolved:

- The report be **noted**.
- Clarification be sought as to which additional committee should receive the report.

PW

18/19

FINANCE UPDATE

A verbal finance update was **received**.

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

(i) Financial Position

- The financial position had benefitted from £10m additional monies from Welsh Government, reducing the forecast deficit position to £10m, which the health board was on track to achieve;
- The range of risks and opportunities to achieve the target continued to be managed;
- Planned care was the biggest financial risk as there was more expenditure required. This was currently being covered by opportunities within primary care;
- Variable pay remained a challenge as the rates were currently higher in comparison with the previous year;
- The savings plans were not providing the headroom of opportunities intended;
- The financial plan for 2019-20 was in the final stages and a draft had been submitted to Welsh Government and the Performance and Finance Committee for consideration;

(ii) Staffing

- The finance department was under considerable pressure due to the work required to support the Bridgend boundary change;
- A number of members of staff had or were in the process of leaving to take up opportunities elsewhere in NHS Wales;
- A number of vacancies would be released to Cwm Taf University Health Board as part of the boundary change arrangements, and should these be advertised immediately, it was possible that more staff would leave ABMU for those opportunities while it underwent the organisational change process to restructure for the new organisation;
- Adjustments were being made within the department to ensure it was in a strong position to deliver the end of year accounts.

Resolved: The report be **noted**.

19/19 ANNUAL ACCOUNTS PROCESS

A report setting out the process for the preparation of the annual accounts for 2018-19 was **received** and **noted**.

20/19 LOSSES AND SPECIAL PAYMENTS

A report setting out losses and special payments approved since the previous meeting was **received** and **noted**.

SINGLE TENDER ACTION AND QUOTATIONS

A report setting out single tender action and quotations approved since the previous meeting was **received** and **noted**.

21/19 CLINICAL AUDIT UPDATE

A verbal update in relation to clinical audit was **received** and **noted**.

22/19 MINUTES OF THE HOSTED AGENCIES GOVERNANCE SUB-COMMITTEES

A report setting out the minutes of the recent hosted agencies governance sub-committee were **received** and **noted**.

Resolved: The report be **noted**.

23/19 INFORMATION GOVERNANCE BOARD UPDATE

A report setting out the key issues discussed at the information governance board was **received** and **noted**.

24/19 ANY OTHER BUSINESS

There was no further business and the meeting was closed.

25/19

NEXT MEETING: Thursday, 21st March 2019 at 9.30am.