



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Bae Abertawe
Swansea Bay University
Health Board



		Agenda Item	5.1
Freedom of Information Status		Open	
Reporting Committee	Audit Committee		
Author	Liz Stauber, Head of Corporate Governance		
Chaired by	Nuria Zolle, Independent Member		
Lead Executive Director (s)	Hazel Lloyd, Director of Corporate Governance		
Date of last meeting	13 July 2023		
Matters to Draw to the Attention of the Board (particularly areas relating to risk or quality)			
<ul style="list-style-type: none"> Financial Position At the end of quarter one, the health board had a deficit position of £36m against a trajectory of £26m. The board's overall financial plan requires £63m of savings and cost reductions to deliver the forecast deficit for 2023-24 of £86.6m. The current assessment is that £26m balance from this £63m is left to find and weekly discussions chaired by the Chief Executive remain in place to support recovery in the most challenged areas. The Chair and Chief Executive had asked for consideration to be given as to what further mitigating actions could be taken. It was noted that this an area of focus of concern and regular discussion for the Performance and Finance Committee and Audit Committee members recognised the pressures and challenges across the organisation. Audit Registers and Status of Recommendations It was highlighted to members that two actions had been marked as actioned as they had partially been completed as no further action could be taken at that time. It was agreed that only actions completed in full would be marked as closed and that any recommendation which was not considered appropriate would be considered on a case by case basis to ensure sufficient actions has been taken to mitigate the risk or confirm that the recommendation was no longer appropriate and that the action could be closed with a narrative to support. The importance of managers setting realistic deadlines was highlighted with recommendations surrounding information governance as an example. Part of this included recruitment of a specialist post which led to a discussion around the challenging of recruiting in niche areas outside of medical and nursing, such as cyber or information governance, particularly as the terms and conditions of private sector roles were more attractive. This was referred to the Workforce, OD and Digital Committee. Head of Internal Audit Opinion and Annual Report This year's end of year rating was reasonable assurance and comprised three substantial, 17 reasonable, seven limited and two advisory notes. While it was recognised that this was a positive achievement, the need for fewer limited assurance reports was noted. 			
Other Areas of Discussion			
<ul style="list-style-type: none"> Annual Accounts The audited annual accounts were received and recommended by the committee for approval by board. It was noted the year-end position had changed from an underspend of 			

£400k to an underspend of £1.8m due to the need to reverse an accrual which was entered twice in error. As part of the Audit Wales review of the accounts, two uncorrected mis-statements had been identified and two significant issues and actions had been identified to address these issues. A formal board meeting took place directly after the Audit Committee to consider the annual accounts at which a full briefing of the Audit Committee discussion was provided. Thanks were placed on record for the work of the organisation to achieve a positive year-end position and while it was cause for celebration, the significant financial challenges the health board faced in the years ahead needed to be borne in mind.

- **ISA 260 Audit of Financial Statements**

Members received Audit Wales's report on the audited accounts and it was noted that the regularity opinion for 2022-23 would be qualified due to the failure to breakeven over three years. This was the only qualification. A full discussion of the ISA 260 took place at the special board meeting on 13th July 2023.

- **NWSSP Single Tender Actions and Quotations**

During the reporting period there has been seven single tender and seven single quotation actions, totaling £80k and £951k respectively. There had also been eight contract extensions to the value of £287k. Members welcomed the revised format of the report which now included all-Wales contracts and where national exemptions had been applied to contracts. It was noted that there were still issues with staff not raising purchasing orders in advance of placing orders and it was agreed to refer to the Workforce, OD and Digital Committee issues relating to managers' awareness of key budgetary functions such as raising purchase orders, staff change forms and rostering effectively.

- **Board Assurance Framework**

The board assurance framework was now in use by board committees to plan its agendas and work programmes. This had led to governance developments such as the estates strategy task and finish group and the establishment of a Partnerships and Population Health Committee. A user guide was now in production to support the executive team in reviewing the board assurance framework and the frequency of reviews was to increase to monthly, rather than three times a year to support board and committee reporting. It was noted that the top three highest risk on the risk register access to urgent and emergency care, access to cancer services and maternity workforce were noted a reasonable on the framework and this matter would be referred would be discussed further at the Performance and Finance Committee. It was highlighted that 'go live' of branding for effective recruitment and retention had been due to go live at the end of June 2023. Given that recommendation of the Guardian Service annual report later on the agenda raised concerns around exit interviews, the issues around recruitment and retention were referred to the Workforce, OD and Digital Committee.

- **Health Board Risk Register**

There were 39 open risks on the register, three of which had the highest score of 25 and a further 22 exceeded the health board's risk appetite. Three new risks had been added and while no risks scores had been increased, a number had reduced for scrutiny by the Risk Management Group. The risk register is aligned to the objectives within the annual plan.

- **Board Effectiveness Assurance Programme**

Of the actions identified, 35 had been closed with seven outstanding, three of which would be addressed with the completion of the 'Our Big Conversation' programme. An external board effectiveness review had been undertaken and initial results reported to the board on 11th July 2023 with the formal report expected for the September 2023 board. The health board's internal process would be undertaken in advance of this to compare the findings.

- **Guardian Service Annual Report**

The annual report for the Guardian Service had been discussed previously at the Workforce, OD and Digital Committee where it was noted a number of recommendations had been put

forward for consideration. This would be discussed further by the Workforce and OD Delivery Group to agree the way forward.

- **Internal Audit Progress Reports**

It was recognised that there was a significant number of final reports being received at the committee due to absences towards the end of 2022-23 and the following were referred to other committees:

- * Swansea Wellness Centre – Performance and Finance Committee;
- * Clinical Audit – Quality and Safety Committee;
- * End-of-Life – Quality and Safety Committee;
- * Access to Cancer Services – Performance and Finance Committee.

- **Audit Wales Performance and Progress Report and Work Programme**

The Audit Wales performance progress report was received, including the work programme for 2023-24 were received.

- **National and Local Orthopaedics Audit Wales Review and Management Response**

The original Audit Wales review had been undertaken in 2018 at a time when the health board was an outlier for its orthopaedic waits. At the time of the report publication in 2023, all organisations were in a similar position due to the pandemic. As such the health board already had a comprehensive action plan underway which included splitting the urgent and elective work, improving communications with patients and expanding the workforce along with other actions. Demand did drop off during the pandemic but current data showed referral activity had now returned to pre-Covid levels. Performance and Finance Committee had already reviewed the action plan and found it be comprehensive – this was supported by Audit Wales.

- **Counter Fraud Report**

The counter fraud report was received which included the findings of the NHS Counter Fraud Authority report for the thematic engagement exercise around risk-based local proactive work. In addition, it was noted that attendance was reduced at awareness sessions but the number of referrals had not changed, so it was possible that the majority of staff had now been reached as part of the process, but this would be reviewed.

Decisions Made for Approval by the Board

Members recommended the following for board approval:

- The audited annual accounts 2022-23 and accompanying letter of representation;
- The annual report (performance and accountability) 2022-23.

Updates Received from Sub-Groups

There were no updates received from Sub-Groups.

Matters Referred to Other Committees

The following were referred to other committees:

- Managers' awareness of key budgetary functions such as raising purchase orders, staff change forms and rostering effectively – *Workforce, OD and Digital Committee*;
- Recruitment and retention - *Workforce, OD and Digital Committee*;
- Recruitment challenges for niche areas such as information governance or cyber - *Workforce, OD and Digital Committee*;
- Internal audit reports as set out above;

Date of next meeting

14 September 2023