



AUDIT COMMITTEE

ANNUAL REPORT

2016/17

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1 Introduction

- 1.1 The Audit Committee presents its annual report to the Health Board for 2016/17. The purpose of the Committee is to advise and assure the Board and the Accountable Officer on whether effective arrangements are in place, through the design and operation of the LHBs assurance framework, to support them in their decision taking and in discharging their accountabilities for securing the achievement of the LHBs objectives, in accordance with the standards of good governance determined for the NHS in Wales.
- 1.2 The Committee discharges this responsibility by fulfilling its responsibilities as outlined in its Terms of Reference and through the delivery of the 2016/17 Board approved Work Plan, as demonstrated in the main body of this report. It is supported by the activities of External, Capital and Internal Audit, and the Local Counter Fraud Specialist Team.
- 1.3 A summary report from each meeting of the Committee has been presented to the Health Board but this report constitutes a formal report of the matters that have been considered by the Committee and the conclusions drawn for the 2016/17 financial year.

2 Committee Structure

- 2.1 The membership of the Committee for 2016/17 comprised:

C Janczewski, Non-Officer Member (Chair)

M Nott, Non-Officer Member

M Berry, Non-Officer Member

D Williams, Non-Officer Member (attendance at November 2016 and January 2017 meetings only)

S Miller, Non-Officer Member attended meetings on an ad hoc basis to ensure the meetings were quorate (June 2016, Sept 2016 and January 2017).

- 2.2 The meetings were also normally attended by: -

E Williams, Director of Finance (until end of September 2016)

P Gilchrist, Acting Director of Finance (from January 2017)

R Farrelly, Director of Nursing & Patient Experience

K Jones, Assistant Director of Finance

S Combe, Director of Corporate Governance

P O'Connor, Head of Internal Audit, NWSSP Audit & Assurance

N Thomas, NWSSP Audit & Assurance (Internal Audit)

C Moseley, Wales Audit Office

G Norman, Wales Audit Office

L Cozens, Lead Local Counter Fraud Specialist (LCFS)

The Secretary to the Committee was Elizabeth Stauber.

- 2.3 The Terms of Reference require the Committee to meet bi-monthly. During 2016/17, the Committee met on eight occasions. The Terms of Reference were reviewed and updated in readiness for 2016/17 at the meeting held on 4th February 2016.

3 2016/17 Work Programme

3.1 The Committee reviewed and approved the audit strategies and plans from the auditors, LCFS and Post Payment Verification (PPV) Manager as listed below, and received final audit reports and/or report summaries produced in support of them throughout the year:-

- Outline of Audit Work 2016 (Wales Audit Office)
- Internal Audit Operational Plan 2016/17 and Audit Strategy 2016/19 (NWSSP Audit & Assurance Services)
- Internal Audit Charter (NWSSP Audit & Assurance)
- Counter Fraud Annual Work Plan 2016/17 (LCFS)
- PPV Annual Work Plan 2016/17 (NWSSP PPV Manager)

4 External Audit

4.1 During 2016/17, the Committee received a number of reports from the Wales Audit Office as listed below:

Financial Audit Reports

- Audit of Financial Statements 2015/16 (ISA260)

Performance Audit Reports

- Communications Technology Audits – Follow-up Review
- NHS Consultant Contract Follow-up of Previous Audit Recommendations
- Structured Assessment 2016

Other Reports

- Annual Audit Report for 2016
- Audit Plan & Fees 2017
- Meeting Demand for Orthopaedic Services : Key Questions for NHS board members

4.2 The Annual Audit Report summarises the findings from the work carried out during 2016 as follows:

Audit of Accounts

“I have issued an unqualified opinion on the 2015-16 financial statements of the Health Board, although in doing so I have brought some issues to the attention of officers and the Audit Committee as set out in my ISA260 report.

In addition, I placed a substantive report on the Health Board’s financial statements alongside my audit opinion. My report explains the two new financial duties introduced on 1 April 2014 by the NHS Finance (Wales) Act 2014, the Health Board’s performance against them, and the implications for 2016-17.

I have also concluded that the Health Board’s accounts were properly prepared and materially accurate. My work did not identify any material weaknesses in the Health Board’s internal controls relevant to my audit of the financial statements.

The Health Board achieved financial balance at the end of 2015-16”.

Arrangements for securing efficiency, effectiveness and economy in the use of resources

“I have reviewed the Health Board’s arrangements for securing efficiency, effectiveness and economy in the use of its resources. This includes my Structured Assessment work which has examined the Health Board’s financial management arrangements, its governance and structured assessment recommendations made last year. Performance audit reviews have also been undertaken in respect of consultant contract, hospital catering and patient nutrition and the progress made in addressing previous IT audit recommendations. This work has led me to draw the following conclusions:

Despite urgent measures taken in recent years to achieve year-end financial balance, the current financial position is unsustainable, with a growing funding gap and a significant year-end overspend forecast for 2016-17

The Health Board has strengthened its planning approach and governance arrangements and is addressing some previous recommendations, but organisational capacity, connections between programmes and maintaining pace of change are challenges

My performance audit work has identified some positive developments, but also opportunities to secure better use of resources in a number of important areas”

5 Internal Audit

- 5.1 The Committee monitors the system of internal control by receiving reports from the Head of Internal Audit (NWSSP Audit & Assurance Services) as set out in the approved audit plan. The outcomes of audits were reported to the Committee with overall conclusions on the adequacy and application on internal controls for each area under review. The assessment on adequacy and application can range from “No Assurance” through to “Substantial Assurance”. The assurance ratings received in relation to the 2016/17 internal audit plans were as follows (including reports issued as “draft”, and some reports rolled into 2016/17 from the 2015/16 plan):

Review Title	Rating¹
Budgetary Control & Financial Reporting (ABM-1617-025)	Green
Financial Ledger (ABM-1617-028)	Green
Mental Health & Capacity Act Legislative Committee (Follow-up) (ABM-1617-032)	Green
Regulatory Compliance: HTA Skin Bank (Follow-up) (ABM-1617-053)	Green
Welsh Risk Pool Claims (ABM-1617-058)	Green
Falls Prevention & Management (ABM-1617-001)	Yellow
Infection Prevention & Control (ABM-1617-002)	Yellow
Morriston Hospital Unit Governance Review (ABM-1617-005)	Yellow
Patient Experience (ABM-1617-006)	Yellow
Radiation Protection (ABM-1617-008)	Yellow
Clinical Governance Framework (ABM-1617-015) DRAFT REPORT	Yellow
Engagement of Medical Agency Locums (ABM-1617-017)	Yellow

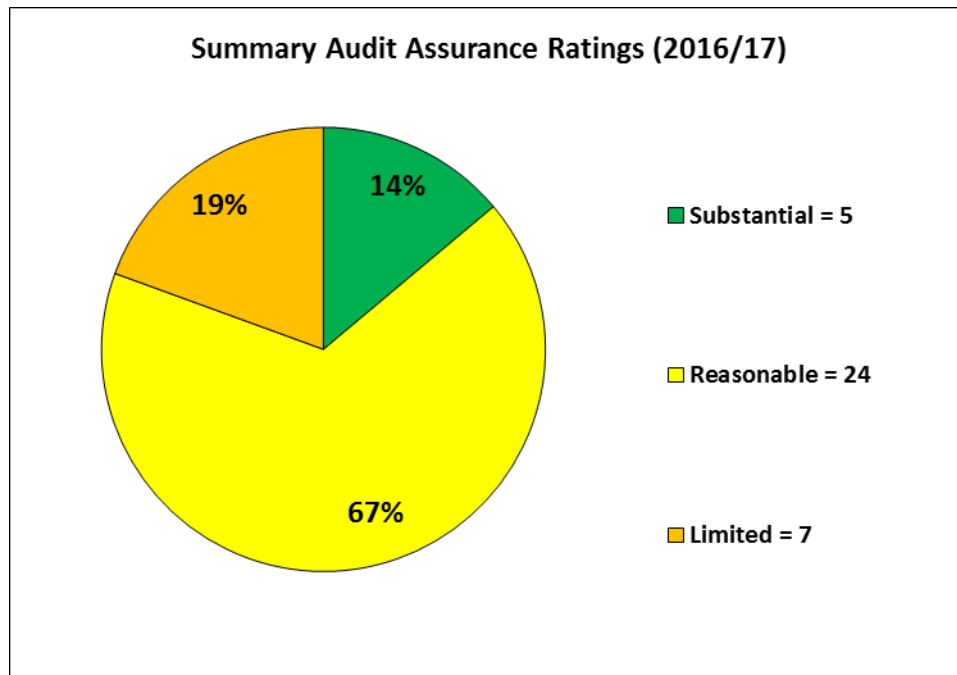
¹ Audit Assurance Rating where Green = Substantial, Yellow = Reasonable & Orange = Limited

Review Title	Rating ¹
Primary Care & Community Unit Governance Review (ABM-1617-021)	
Risk Management Strategy: Corporate Risk Register (ABM-1617-022)	
Stakeholder Engagement & Comm: Stakeholder Reference Group (ABM-1617-024)	
Commissioning Boards (ABM-1617-026)	
Concerns (ABM-1617-027)	
Financial Planning & Cost Improvement Programmes (ABM-1617-029) DRAFT REPORT	
Health & Safety Follow-up Review (ABM-1617-031)	
Non Pay Expenditure: GP Out of Hours (ABM-1617-033)	
Payroll: Local Controls (ABM-1617-036)	
Performance Management & Reporting (ABM-1617-037)	
IT Applications: Pharmacy System (ABM-1617-041) DRAFT REPORT	
Nurse & Midwife Revalidation (ABM-1617-044)	
Policies & Procedures Follow-up (ABM-1617-044)	
GP Out of Hours Service Administration Follow-up (ABM-1617-049)	
Continuing Healthcare Follow-up Review (ABM-1617-050) DRAFT REPORT	
Management of Temporary Staffing Follow-up Review (ABM-1617-052)	
Dignity & Respect Follow-up Review (ABM-1617-054)	
Patient Monies & Property (ABM-1617-056)	
Home Oxygen Services Follow-up Review II (ABM-1617-057)	
Increasing Cardiac Capacity (SSU) (ABM-1516-005)	
Capital Follow-up (SSU) (ABM-1516-002)	
Capital Follow-up (SSU) (ABM-1617-001) DRAFT REPORT	
Replacement of Catheter Laboratories (SSU) (ABM-1617-002)	
Estates Assurance Follow-up (SSU) (ABM-1617-008) DRAFT REPORT	
Health & Safety (Estates) (SSU) (ABM-1516-008)	
Property/Lease Management (SSU) (ABM-1516-09)	
Neath Port Talbot PFI (SSU) (ABM-1617-012) DRAFT REPORT	
Sickness Absence Management (ABM-1617-004)	
Pressure Ulcers (ABM-1617-007)	
Safety Alerts (ABM-1617-009)	
Mortality Reviews Follow-up (ABM-1617-020)	
Security Framework Follow-up Review (ABM-1617-023) DRAFT REPORT	
Funded Placements in Non NHS Settings Follow-up Review (ABM-1617-030) DRAFT REPORT	
Data Quality : Mental Health Measure (ABM-1617-046)	
Patient Monies & Property Follow-up (ABM-1617-047)	
Home Oxygen Services Follow-up Review (ABM-1617-048)	


- 5.2 In addition to the above assignments, Internal Audit has also reported to the Audit Committee on a number of areas without assigning assurance ratings. These are set out in the table below:

Review Title
Annual Quality Statement (ABM-1617-013)
Carbon Reduction Commitment (SSU) (ABM-1617-011)
Sustainability Reporting (SSU) (ABM-1617-010)

- 5.3 The chart below summarises the Health Board's Internal Audit ratings for final reports received against the 2016/17 Plan (this excludes Final Account Reviews, reports with no ratings and draft reports):



- 5.4 The Head of Internal Audit provided the Opinion & Annual Report for 2016/17 to the Committee at its meeting on 18th May 2017. In the report, the Head of Internal Audit concluded: -

 <p style="text-align: center;">- + Yellow</p>	<p>The Board can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some significant matters require management attention with low to moderate impact on residual risk exposure until resolved.</p>
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- 5.5 The Head of Internal Audit has concluded *substantial assurance* can be reported for the Financial Governance & Management domain, *reasonable assurance* can be reported for each of the remaining seven domains.

6 Counter Fraud Annual Work Plan and Reports

The Committee approved the 2016/17 Annual Work Plan of the Local Counter Fraud Specialist at the start of the year, and received regular reports to monitor progress against the Plan. These reports advised the Committee on activity under the Key Principles specified within the Fraud, Bribery and Corruption Standards for NHS Bodies (Wales) of strategic governance, inform and involve, prevent and deter and hold to account.

Strategic Governance

The plan took account of:

- An assessment of the work required to ensure consistent and effective implementation and delivery of the NHS Protect Fraud, Bribery and Corruption Standards for NHS Bodies (Wales).
- The outcome of a risk assessment of the Health Board's strategic counter fraud arrangements, undertaken using the NHS Protect Risk Assessment Tool (RAT) self-assessment process
- An analysis of systems, processes and/or areas which expose the Health Board to a potential or inherent fraud, bribery or corruption (economic crime) risk

Inform and Involve

The Team has delivered 95 fraud awareness sessions at venues across the Health Board including both primary and secondary care sites, attended by more than 1,900 staff members from a range of departments, directorates and disciplines. The aims of these sessions are to raise awareness of the effects of crime within the NHS, the measures put in place to prevent fraud, references to key policies and documents and how to contact the LCFS Team if they have any concerns.

Prevent and Deter

Two editions of the Counter Fraud Newsletter have been produced and as part of the process of 'fraud-proofing' policies and procedures, Financial Control Procedures relating to procurement and contracting for goods and services, pay expenditure and Health Board standards of business conduct have each been reviewed and improved.

Work has commenced to review the NFI matches issued in January 2017 and will continue throughout 2017/18. Other areas of work included proactive exercises focussing on the risks inherent within domiciliary ophthalmology visiting services provide to care homes, and working with integrated pharmacy and medicines management colleagues on the risks inherent within the prescribing/dispensing of medicines within primary care which are not explicitly priced within the drug tariff.

Hold to Account

At the start of the year, the team were dealing with 30 live criminal investigations. During the course of 2016/17 the LCFS Team received a total of 25 new cases, and reopened a previously closed case to record an external sanction. Of these cases, 20 were closed, resulting in 36 live investigations at the close of the period.

One criminal sanction has been imposed during the year, which was following joint work with South Wales Police resulting in a member of staff being imprisoned for 21 months. In addition, three internal disciplinary sanctions have been successfully imposed and joint working with the Nursing & Midwifery Council resulted in a 2 month suspension order for a former member of staff.

The work of the LCFS Team has resulted in total recoveries this year of £94,084.

7 Post Payment Verification (PPV) Work Plan & Reports

7.1 The Committee approved the 2016/17 Annual Work Plan of the NWSSP PPV Service at the start of the year, and received a mid-year and year-end report to monitor progress against the Plan. These reports advised the Committee on work undertaken by the PPV department in accordance with Welsh Government Directions in respect of General Medical Services (GMS), General Ophthalmic Services (GOS) and General Pharmaceutical Services (GPS).

7.2 The purpose of the PPV audit is to ensure that claims submitted are correct and in accordance with the relevant regulations. The annual report includes a summary of the findings and observations for each area as set out below:

7.2.1 GMS

Planned visits for ABM UHB	Completed visits	Visits on-going	Total visits carried out	Variance
27	23	5	28	+1

7.2.1.1 During the period, the PPV department carried out audits on all contractors as per the audit plan, and recovered £4,306.82 from completed visits to GMS contractors due to errors identified in contractor's Enhanced Service claims. It also recovered £16,073.62 from revisits undertaken during the year.

7.2.1.2 The overall claim error rate for the Health Board was 3.22% from all claims sampled. In comparison, the claim error rate for Mid & West Wales as a whole was 5.34%.

7.2.2 GOS

Planned visits for ABM UHB	Completed visits	Visits on-going	Total visits carried out	Variance
18	16	4	20	+2

7.2.2.1 During the period, the PPV department carried out audits as per the audit plan and recovered £2,494.20 from completed visits to GOS contractors due to errors identified in contractor's GOS claims. It also recovered £3,318.10 from revisits undertaken during the year.

7.2.2.2 The overall claim error rate for the Health Board was 3.74% from all claims sampled. In comparison, the claim error rate for Mid & West Wales as a whole was 2.72%.

7.2.3 GPS

Planned visits for ABM UHB	Completed visits	Visits on-going	Total visits carried out	Variance
54	45	9	54	0

7.2.3.1 During the period, the PPV department carried out audits as per the audit plan and recovered £1,639.96 from completed routine visits due to errors identified in their medicines usage review and flu claims.

7.2.4 PPV Conclusions & Recommendations

- 7.2.4.1 The GMS error rate decreased compared to its position 12 months ago (3.22% vs. 4.54%) and remains well within the regional average of 5.34%.
- 7.2.4.2 The GOS error rate of 3.74% remains above the regional average of 2.72% due to the substantial errors identified against one contractor.
- 7.2.4.3 PPV will continue to discuss Pharmacy audit outcomes with the relevant Health Board colleagues as the service develops.

8 Annual Accounts for the Year Ending 31st March 2017

- 8.1 The Committee received the 2016/17 draft Annual Accounts at its meetings on 18th May 2017, and the Audited Annual Accounts at its meeting on 31st May 2017.
- 8.2 In presenting the draft Annual Accounts to the Committee, the Acting Director of Finance drew attention to a number of key issues: -

1. Financial Environment

- The IMTP Financial Framework for 2016/17
- Investment in services over the 3 years of IMTP 2014/15-2016/17
- Service Delivery Units / Directorates Financial Performance

2. Accounts Closure Preparation

- Supporting WAO Audit Team
- Accounting Approach Agreed with WAO
- Finance Team Preparation for Accounts Closure

3. Performance against the 4 Financial Targets

- Revenue Resource Performance (Statutory)
- Capital Resource Performance (Statutory)
- Prepare a 3 Year Plan (Statutory)
- Public Sector Payment Policy (Best Practice)

4. Statement of Comprehensive Net Expenditure & Key Variances

- Expenditure on Primary Healthcare Services & Key Variances
- Expenditure on Healthcare from Other Providers & Key Variances
- Expenditure on Hospital & Community Health Services & Key Variances
- Miscellaneous Income Analysis & Key Variances

5. Statement of Financial Position & Key Variances

- Property, Plant and Equipment & Key Variances
- Receivables, Payables and Provisions & Key Variances
- Taxpayers Equity & Key Variances

6. Summary & Next Steps

- Achievement against the financial targets

- Expenditure analysed over the main headings with key movements explained
- Meeting of Audit Committee and Board on 31st May 2017 to review and adopt the audited accounts
- Submission of Audited Accounts to Welsh Government on 2nd June 2017
- Auditor General opinion and sign off on 8th June 2017
- Accounts laid before National Assembly for Wales planned for 8th June 2017
- Accounts included within the Annual Report and AGM in July 2017

8.3 The Committee received the Audited Annual Accounts at its meeting on 31st May 2017. In presenting the Audited Accounts to the Committee, the Acting Director of Finance included the following areas: -

- Support provided to the Audit Team during the audit review period
- Performance against the 4 financial targets
- Changes made to the draft Annual Accounts
- External Audit Review of the Financial Statements (by WAO)
- Summary & Next Steps

8.4 The ISA260 Report on the Annual Accounts concluded that:

“The Auditor General intends to issue a qualified audit report on your 2016-17 financial statements and this will be supported by a substantive report. There are some issues to report to you prior to the Board’s approval of the financial statements”.

8.5 A summary of the main points are included below:

- There are no misstatements identified from the audit of the financial statements which remain uncorrected;
- there are misstatements which have been corrected which are minor in nature and there is no impact on the Health Board’s net expenditure;
- we have no significant concerns about the qualitative aspects of your accounting practices and financial reporting;
- we did not encounter any significant difficulties during the audit;
- there were no significant matters discussed and corresponded upon with management which we need to report to you beyond those set out in the substantive report;
- there are no other matters significant to the oversight of the financial reporting process that we need to report to you;
- we did not identify any material weaknesses in your internal controls but we have identified some areas for improvement; and
- There are no other matters specifically required by auditing standards to be communicated to those charged with governance.

9 Accountability Report

The Accountability Report, which is subject to audit review, was presented in draft to the Audit Committee at its meeting on 18th May 2017 and the final audited version at its meeting on 31st May 2017. This report includes:

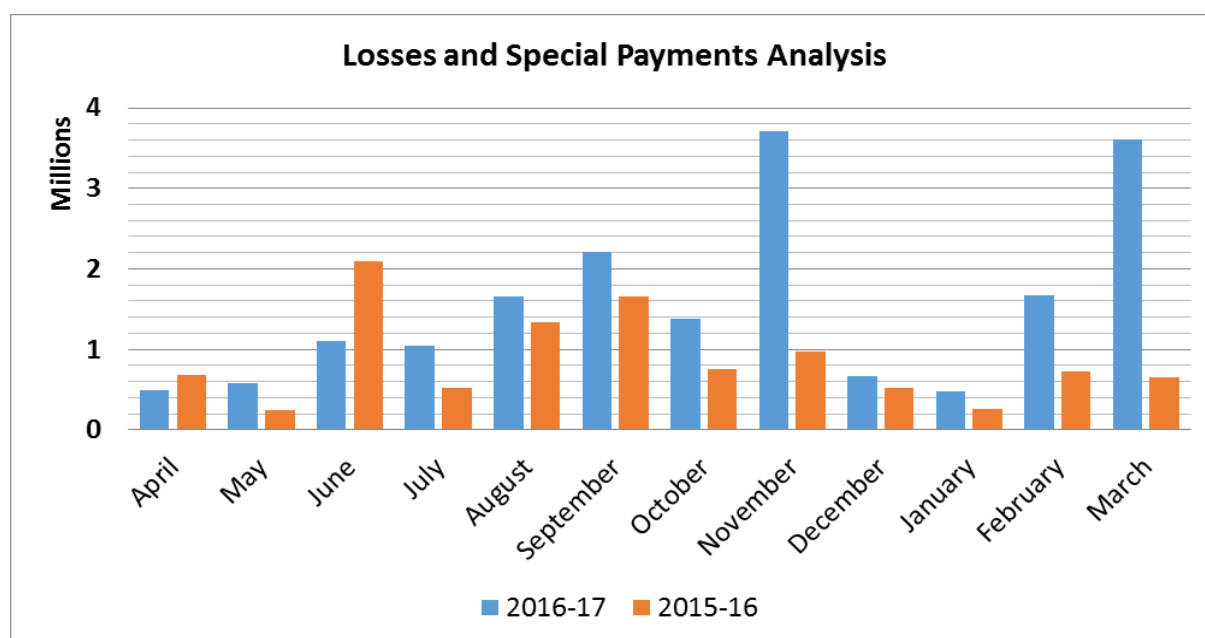
- A Corporate Governance Report. This sets out the composition and organisation of ABMU's governance structures and how these support the achievement of the entity's objectives. This detail is contained within the Annual Governance Statement;
- a Directors' Report and a Statement of Accounting Officer's Responsibilities;
- a Remuneration and Staff Report; and
- A National Assembly for Wales and Audit Report.

10 Standing Orders, Supporting Schedules & FCPs

- 10.1 Proposed amendments to the Health Board's Standing Orders and supporting Schedules were considered by the Audit Committee as required throughout the year, and recommendations for changes forwarded for Board approval.
- 10.2 Updates were provided on the review of Financial Control Procedures (FCPs) during the course of the year, against an approved review plan for 2016/17.

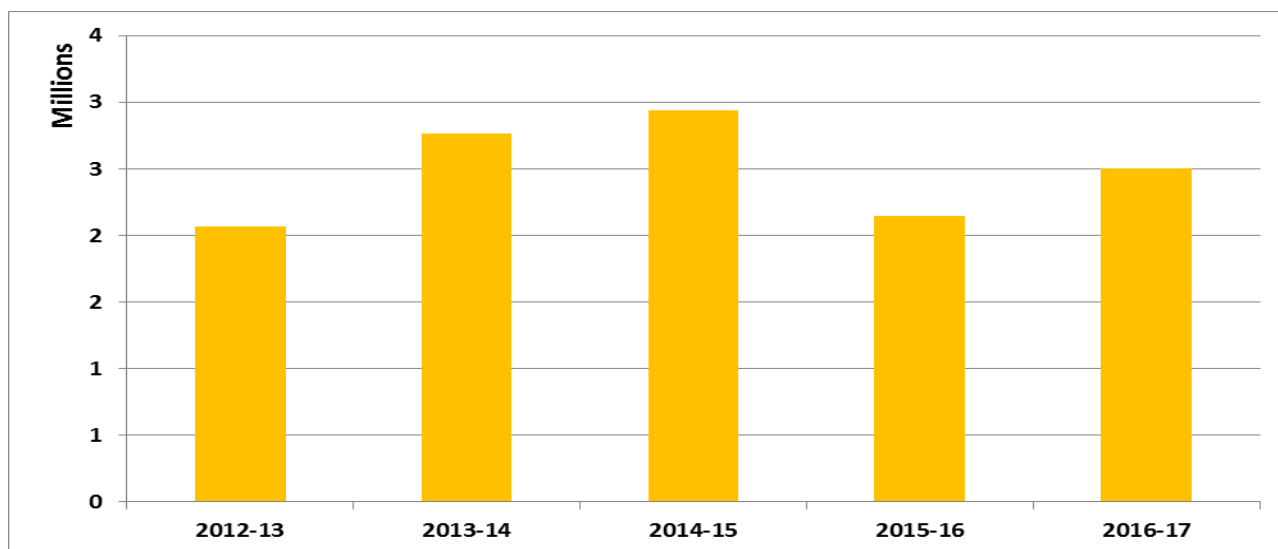
11 Losses & Special Payments

The Committee received losses and special payments reports for consideration and recommended them to the Health Board throughout the year. In 2016/17, the Health Board has incurred gross losses totalling £18.608m compared to £10.423m for the same period in 2015/16. The chart below analyses these losses and special payments on a month by month basis:



- 11.1 The Health Board is able to recover some of these losses from the Welsh Risk Pool, where costs exceed £25,000 per case for Clinical Negligence and Personal Injury Claims and from Welsh Government for all redress payments (with the exception of legal fees) made under the Putting Things Right scheme. Therefore, after the recoveries are taken into account, the net loss for the period totalled £2,500,814 for 2016/17 and £2,146,738 for 2015/16.

11.2 The graph below demonstrates the trend in losses payments over the last 5 full financial years. It summarises the net losses for each year:

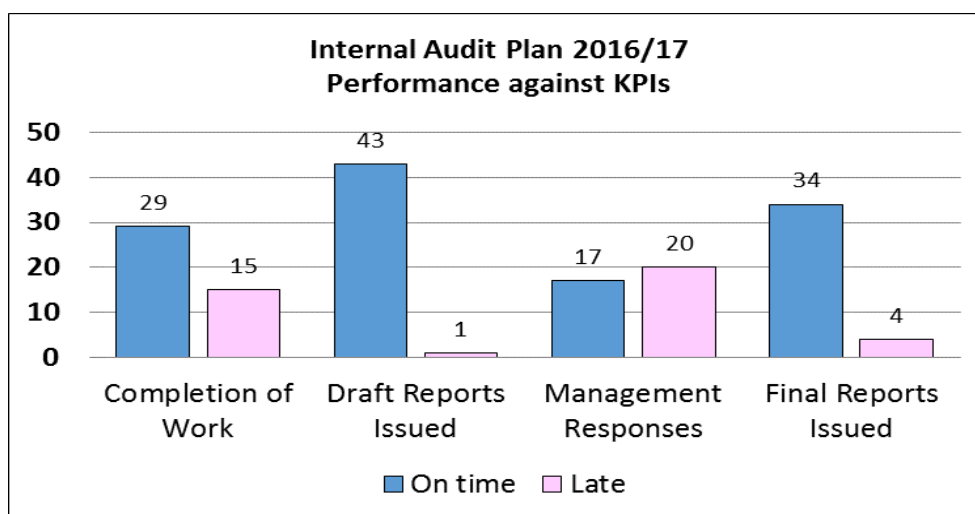


12 Audit Registers & Action Plans

12.1 The Corporate Accounting & Governance Section within the Finance Directorate is headed by the Assistant Director of Finance. The staff within the Section maintain Audit Registers to record information for each audit review, and this is regularly reported to the Committee to enable it to monitor:

- The delivery of the Internal Audit Operational Plan;
- Responses to audit reports from Health Board managers; and
- The receipt of draft and final reports.

12.2 Extracts from all Audit Registers are routinely presented to the Committee and summaries of the key performance indicators monitored through the Registers is shown in the table and chart below for 2016/17 :-



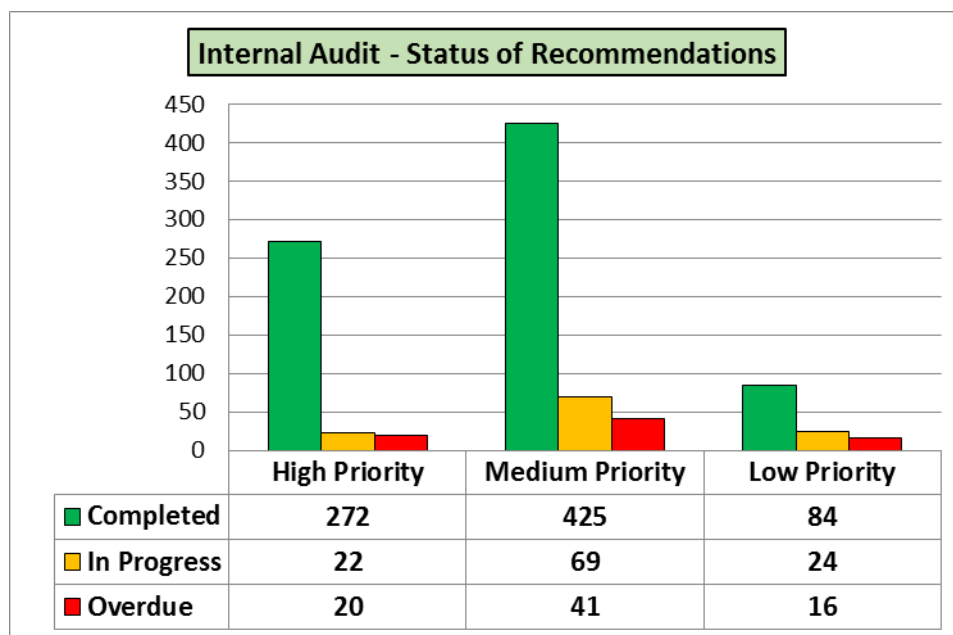
12.3 Whilst it is not possible to produce the same information for External Audit, a summary of the current status of the 2016 Audit Plan is shown below:

Financial Accounts Work: Completed. The Audit of Financial Statement 2015/16 (ISA260) was issued in June 2016.

Performance Work: One report have been issued to date (Structured Assessment 2016), one is due to be considered by Cwm Taf Health Board (Emergency Ambulance Service Commissioning) prior to be received by the ABMU Health Board Audit Committee, four are progressing (Out of Hours Primary Care, All Wales Comparisons from 2016 Structured Assessment, Discharge Planning and Follow-up Outpatients Appointments) and three are planned but not yet started (Primary Care, Cross-sector Thematic and Local Project).

Other: Completed. The Annual Audit Report 2016 was issued in January 2017 and the Annual Plan 2017 was received in March 2017.

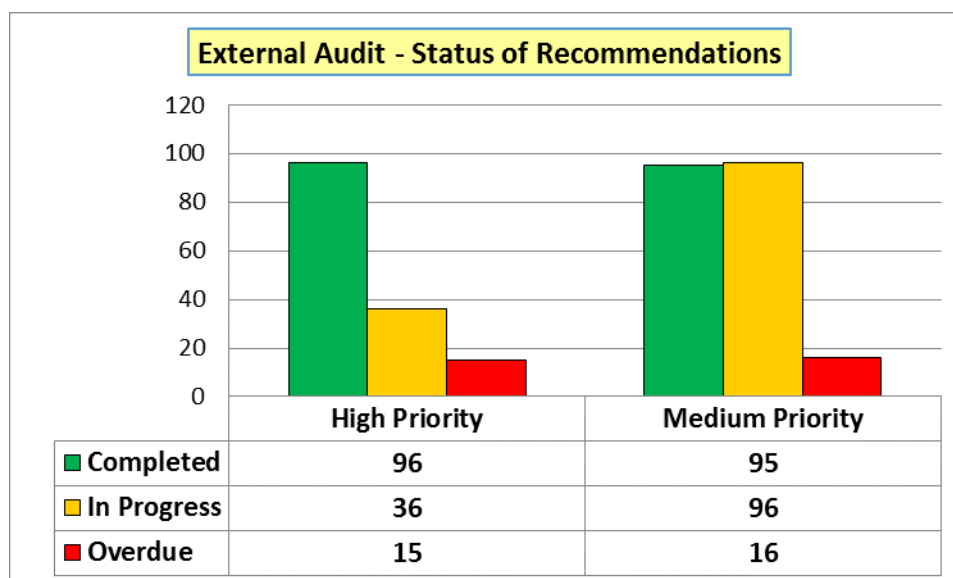
- 12.4 In addition, progress on the implementation of agreed action plans is also monitored and reported to the Committee by priority classification. The status of tracked audit recommendations for reports issues by Internal Audit (NWSSP Audit & Assurance) and External Audit (WAO) are summarised in the charts and tables below :



The table below includes a summary of all Internal Audit overdue recommendations:

Row Labels	Sum of High Priority Overdue	Sum of Medium Priority Overdue	Sum of Low Priority Overdue
Interim Chief Executive	0	0	2
Annual Governance Statement : In-Year Review	0	0	1
In Year Governance Review	0	0	1
Medical Director	10	18	3
Junior Doctor Bandings	1	5	1
Information Governance Framework: Information Assurance	0	2	0
Medical Appraisal to Support Revalidation Follow-up	6	3	0

Row Labels	Sum of High Priority Overdue	Sum of Medium Priority Overdue	Sum of Low Priority Overdue
Mortality Reviews follow up	1	5	2
Data Quality: Mental Health Measure	2	3	0
Acting COO and Director of Nursing & Patient Experience	6	18	8
Community Equipment Stores Follow-up	0	1	1
Older Persons: Dignity & Respect	1	0	3
Primary Care & Community Unit Governance	0	5	0
Patients Monies & Property (Follow-up)	0	0	1
Falls Prevention & Management	0	3	1
Infection Prevention & Control	1	3	0
Patients Monies & Property (F.Up II)	4	1	0
Dignity & Respect (Follow Up)	0	4	2
Management of Temporary Staffing	0	1	0
Director of Strategy	2	2	1
Phase 1B Clinical Accommodation	1	0	0
Health & Safety Follow Up	0	1	0
Safety Alerts	1	0	0
Cath Lab B	0	1	0
Acting Director of HR	2	2	1
Statutory & Mandatory Training	2	0	0
Engagement of Medical Agency Locums	0	1	1
Payroll (Local Controls) 2	0	1	0
Director of Therapies & Health Sciences	0	1	1
Radiation Protection	0	1	1
Grand Total	20	41	16



The table below includes a summary of all External Audit overdue recommendations:

Row Labels	Sum of High Priority Overdue	Sum of Medium Priority Overdue
Medical Director	0	14
Diagnostic Review of ICT Capacity & Resources	0	1
Combined Follow-up of Informatics & Communications Technology Audits	0	3
NHS Consultant Contract: Follow Up of Previous Audit Recommendations	0	10
COO Director of Nursing & Patient Experience	13	2
Maternity Services Follow-up Review	0	2
Review of Follow-up Outpatient Appointments	1	0
Hospital Catering & Patient Nutrition Follow-up	12	0
Director of Corporate Governance	2	0
Structured Assessment 2016	2	0
Grand Total	15	16

12.5 The “in progress” and “overdue” recommendations continue to be monitored and progress routinely reported to the Audit Committee.

12.6 During 2016/17, the Audit Committee has seen significant improvement in the implementation of agreed action plans, but this needs to be maintained and improved upon.

13 Other Committee Work

13.1 Minutes of Governance Sub Committees

The Committee received the minutes of the Delivery Unit Governance Sub Committee and EMRTS Governance Sub Committee on 23rd September 2016 and 19th January 2017. Their terms of reference were also reviewed on 19th January 2017.

13.2 Information Governance Board

The Committee received update reports throughout the year from the Information Governance Board.

13.3 Hospitality Register

13.3.1 As recommended by the Wales Audit Office, extracts from the Hospitality Register were reported to the Audit Committee every six months for review.

13.4 Single Tender Action &, Quotation, and Contract Extensions

13.4.1 In line with Standing Orders, the Committee received reports relating to all single tender action and single quotation requisitions, along with requests for contract extensions during the course of the year.

13.5 Accounting Policies

13.5.1 There were no amendments to the Accounting Policies in 2016/17.

13.6 CHC Performance

In line with the requirements of the CHC Framework, the Audit Committee received quarterly reports on CHC performance throughout the year from the Director of Nursing, Primary Care and Community

13.7 Management Responses and Action Plans

13.7.1 For each performance report issued by Wales Audit Office during the year, the Committee invites attendance from lead executives and managers to present their management responses and action plans to address the recommendations made within the reports. During 2016/17, the following were received:

- Medicines Management in Acute Hospitals
- Diagnostic Review of ICT Capacity & Resources
- Hospital Catering & Patient Nutrition Follow-up Review
- Review of Follow-up Outpatient Appointments
- Communications Technology Follow-up
- Consultant Contract Follow-up Review

13.8 Other Reports

13.8.1 The Committee also received reports and presentations throughout the course of the year in relation to issues of particular interest, concern or those seeking approval. These included:-

- Discharge Processes (May 2016)
- National Assembly for Wales PAC Report (May 2016)
- Clinical Audit Annual Report 2015/16 (August 2016)
- Risks and Controls around Financial Management (throughout the year)
- Declaration of Interest Register (August 2016)
- Quality & Safety Committee Annual Report 2015/16 (August 2016)
- Corporate Risk Register (throughout the year)
- Risk Management System, including Strategy and Policy (August 2016)
- Bridgend Clinic Trading Account 2015/16 (August 2016)
- Summary of Capital Contracts and Consultant Appointments 2015/16 (August 2016)
- Medical Appraisal to support Revalidation Action Plan Progress Report (Sept 2016)
- Update of Health Records Policies (Sept 2016)
- Draft Annual Quality Statement (Sept 2016)
- Draft Annual Report (Sept 2016)
- Clinical Audit Mid-Year progress Report (November 2016)
- Patients Monies Ex-gratia Request (November 2016)
- Openness & Transparency (November 2016)
- Change of Director of Finance (November 2016)

- Underpaid Tax & NI (January 2017)
- Request for Overpayment of Pay Write Off (January 2017)
- NWSSP Accounts Payable Services to the Health Board (March 2017)
- Statutory Duties of Local Health Boards (March 2017)

13.9 Private Meetings of Audit Committee Members with the Auditors

13.9.1 In line with the Audit Committee Handbook and Terms of Reference, the Audit Committee members met privately with NWSSP Internal Audit Service and the Wales Audit Office as needed throughout the year.

13.9.2 The outcomes of these meetings were reported to the Chairman and/or the Chief Executive as appropriate.

14 Conclusions

14.1 This report demonstrates that the Committee has fulfilled its responsibilities through the completion of a comprehensive work plan, and from the reports it has received throughout the course of the year from a range of support services and sources. In particular, reference should be made to the concluding statements from its auditors, LCFS and PPV Services, including: -

a. External Auditors View (*Audit of Financial Statements Report 2016/17 (ISA 260)*)

The Auditor General intends to issue a qualified audit report on your 2016-17 financial statements and this will be supported by a substantive report. There are some issues to report to you prior to the Board's approval of the financial statements.

b. Internal Auditors View (*Head of Internal Audit Opinion and Annual Report 2016/17*)

The overall opinion – Reasonable Assurance

c. Local Counter Fraud Specialist (*Annual Report 2016/17*)

The approved Work Plan for the year has been delivered and covered the four Key Principles specified within the Fraud, Bribery and Corruption Standards for NHS Bodies (Wales) of strategic governance, inform and involve, prevent and deter and hold to account.

d. PPV (*Annual Report 2016/17*)

The approved Work Plan for the year has been delivered and no significant concerns have been raised. The PPV Manager and visiting officers routinely communicate their findings with contractors, Primary Care Managers and Local Counter Fraud Specialists.

The Board is asked to note the contents of this report as a summary of the work and findings of the Audit Committee for the financial year 2016/17.