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Addysgu Powys
Powys Teaching
Health Board

AUDIT, RISK & ASSURANCE COMMITTEE

CONFIRMED

MINUTES OF THE MEETING HELD ON TUESDAY 10 OCTOBER 2023 VIA MICROSOFT TEAMS

Present:

Rhobert Lewis	Independent Member (Chair)
Chris Walsh	Independent Member – Local Authority
Simon Wright	Independent Member – University (Substitute Member)
Steve Elliot	Independent Financial Advisor

In Attendance:

Pete Hopgood	Director of Finance and IT and Interim Deputy Chief Executive
Debra Wood-Lawson	Director of Workforce and Organisational Development
Sarah Pritchard	Head of Financial Services
Hywel Pullen	Deputy Director of Finance
Helen Bushell	Director of Corporate Governance/Board Secretary
Amanda Legge	Post payment Verification Manager
Anne Beegan	Audit Wales - Audit Manager
Ian Virgil	Head of Internal Audit
Matthew Evans	Head of Local Counter Fraud

Observers

Kirsten Jones	Llais
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Committee Support

Belinda Mills	Corporate Governance Officer
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Apologies

Ronnie Alexander	Independent Member – General
Mark Taylor	Independent Member – Capital and Estates
Hayley Thomas	Chief Executive Officer
Carl Cooper	PTHB Chair
Alice King	External Audit
Bethan Hopkins	External Audit
Jayne Gibbon	Internal Audit

ARA/23/035	<p>WELCOME AND APOLOGIES</p> <p>The Committee Chair welcomed everyone to the meeting.</p> <p>The Chair welcomed Steve Elliot as the new Special Advisor (Finance) to the Committee. Steve has been appointed by the Health Board to provide additional support to both this Committee and to the Delivery and Performance Committee whilst a new IM (finance) is recruited. For clarity, the role of Special Advisor (Finance) is not an Independent Member role.</p> <p>Apologies for absence were noted and recorded as above and that the meeting was chaired by Independent Member Rhobert Lewis.</p>
ARA/23/036	<p>DECLARATIONS OF INTEREST</p> <p>No interests were declared in addition to those already declared in the published register.</p>
ARA/23/037	<p>MINUTES OF THE MEETINGS HELD 21 JULY 2023</p> <p>The minutes of the meetings held on 21 JULY 2023 were AGREED as a true and accurate record subject to the following amendment:</p> <p>Page 9/10 – Core Structured Assessment with a focus on digital – amend to: ‘Core Structured Assessment with a <i>separate</i> focus on digital’.</p> <p>The following matter arising was raised.</p> <p>ARA/23/028: The Chair noted that the External Auditor was of the understanding that the Audit Wales Report on Orthopaedic Services in Wales did not include English providers, but this information would be checked. The Audit Wales representative confirmed that the report did not include information in relation to English providers.</p>
ARA/23/038	<p>COMMITTEE ACTION LOG</p> <p>The Committee received the Action Log and the following actions were discussed:</p> <ul style="list-style-type: none"> • ARA/23/006 (Provision of Orthodontic Treatment STW): It was noted that a project plan for assurance would be brought forward to Committee following the commencement of the tender process for STW POW2223040 (Orthodontic Treatment). It was noted that the action is on track with a paper scheduled for next meeting. • ARA/23/028 (Audit Wales – Orthopaedic Services in Wales): It was noted that this has been transferred to the Delivery and Performance Committee.
ARA/23/039	<p>APPLICATION OF SINGLE TENDER WAIVER</p> <p>The Head of Financial Services presented report noting there had been one</p>

Single tender waiver application made between 1 August and 30 September 2023.

Single Tender Reference	Request to waive QUOTE or TENDER threshold	Name of Supplier	Item	Reason for Waiver	Date of Approval	Value £	Length of Contract	Prospective/ Retrospective	Appendix Ref
POW2324001	TENDER	Citizens Advice Powys	Citizens Advice Advisor service, specialising in working with individuals open to NHS mental health services.	Sole Supplier	31.7.23	£99,080	2 years	Prospective	A1

The Committee RATIFIED the use of Single Tender Waiver in respect of this item during the period of 1 1 August and 30 September 2023.

ARA/23/040

INTERNAL AUDIT PROGRESS REPORT 2023-24

The Head of Internal Audit presented the report which provided the Committee with information regarding the progress of Internal Audit work in accordance with the agreed plan; including details and outcomes of reports finalised since the previous meeting of the committee.

The following matters were highlighted for the Committee’s attention:

- Since the last meeting of the Committee two audits had been finalised and report completed:
 - SLAs for In-Reach Staff (Reasonable Assurance)
 - Clinical Audit (Reasonable Assurance)
- There had been a total of 24 audit reviews included with the 2023/24 Internal Audit Plan. At the time of reporting, one had been finalised with a further two at the draft report stage and two audits were currently work in progress with a further 13 at the planning stage.
- The progress report also includes details of a proposed adjustment to the timing of the Additional Learning Needs legislation audit. It had been requested that the timing of this audit was changed from Q2 to Q4 due to reviews being undertaken within the service.

Independent Members sought assurance as follows:

How confident are you that the ten reports expected in January will be delivered. Is that typical or realistic for the cycle?

The Head of Internal Audit confirmed that in previous years it was usual for more audits to come in the second half of the year. Work was ongoing towards having those ten audits complete and finalised so they can be

	<p>brought to the Committee. This was dependent on whether the Health Board are able to support the audit work. The plan will be monitored and updated as necessary.</p> <p><i>It is noted in Appendix A that two of the draft reports have limited assurance rating. Are the results of these findings shared with management and is any action taken on these emerging findings prior to publication of the final report?</i></p> <p>The Head of Internal Audit confirmed that the findings have been shared and currently at a discussion stage with management prior to the report being finalised.</p> <p>The Director of Finance, Information and IT confirmed that as soon as an audit is completed all recommendations are collated and areas for improvement are identified. The team start working on actions immediately without waiting for final publication of the report.</p> <p><i>With one of the audits postponed to Q4 are other planned audits being brought forward to fill the gap?</i></p> <p>The Head of Internal Audit advised that there were other audits that could possibly be brought forward to fill that gap. However, it was also noted that the audit team which undertake internal audit in Powys, also deliver audits to other organisations and it would be necessary to take the wider workflow into account.</p> <p>The Committee:</p> <ul style="list-style-type: none"> • NOTED the Internal Audit Progress Report, including the findings and conclusions from the finalised audit reports. • APPROVED the proposed adjustment to the timing of the Additional Learning Needs Legislation audit from quarter 2 to quarter 4.
ARA/23/041	<p>INTERNAL AUDIT REPORTS:</p> <p>The Head of Internal Audit presented the report which provided the Audit, Risk and Assurance Committee with information regarding the progress of Internal Audit work in accordance with the agreed plan; including details and outcomes of reports finalised since the previous meeting of the committee.</p> <p>a. SLAs for In-reach Medical Staff (Reasonable Assurance)</p> <p>The Head of Internal Audit presented the report which sought to provide assurance over actions taken to review and update SLAs (Service Level Agreements) arrangement for in-reach medical staff across all Health Board services. It was noted that:</p> <ul style="list-style-type: none"> • The Health Board needs to ensure that performance against the SLAs is being effectively reviewed during the Contract Quality Performance and Review Meetings and that this is clearly evidenced; • The Health Board did not obtain evidence relating to Disclosure and

Barring Service (DBS) checks, accreditation, registration, validation, job planning and appraisals of clinicians for 2022/23;

- An SLA had not been signed with one provider and the SLA with a second provider was not signed until after the period it covered had ended;
- The frequency of review meetings with each provider should be reviewed to consider what is most appropriate. This should then be reflected in the SLAs; and
- The system in place to capture all the in-reach arrangements requires improvement so that a clear, accurate and unambiguous position can easily be shown at any time.

In relation to '5.1 performance and quality monitoring against SLAs', can assurance be provided that the actions outlined in 5.1 in the agreed management plan will work?

The Director of Finance, Information and IT explained that the intention of this action was to ensure that the Health Board only pays for what is delivered.

The Head of Internal Audit confirmed that this recommendation was to make sure the Health Board actively monitors activity and ensures that it is getting what is paying for.

How do the Health Board check that it is monitoring, is there an internal process?

The Director of Finance and IT explained that the approach is to track sessions delivered, reconcile them to the invoice amounts and only then make payments for sessions provided.

Why might it take two or three months to get that point of ensuring payment was only made for sessions provided?

The Director of Finance, Information and IT undertook to bring a response to this question back to the next meeting.

Action: The Director of Finance, Information and IT

In relation to the service level agreements for this year, can assurance be provided that those are now in place, including the two with the cross-border providers?

The Director of Finance, Information and IT noted in respect of cross-border SLAs he was not aware of any outstanding arrangements but would check and bring a response back to the next meeting.

Action: The Director of Finance, Information and IT

The Head of Internal Audit added that at the point of completing the audit the commissioning team had only relatively recently taken on some of the responsibilities around the SLA monitoring. Some of the areas that were highlighted were areas where it was necessary to put processes in place and ensure they were properly embedded. It would be expected that

	<p>implementation of these processes would take a few weeks.</p> <p><u>b. Clinical Audit Final Internal Audit Report (<i>Reasonable Assurance</i>)</u></p> <p>The Head of Internal Audit presented the report which sought to provide a review on the adequacy of the systems and controls in place for the planning, delivery and reporting of Clinical Audit work. It was noted that the Health Board has an approved Annual Clinical Audit plan in place, there is appropriate guidance available to staff and there are experienced staff in place to plan, coordinate and undertake the clinical audits. Three medium priority areas were identified during this audit including:</p> <ul style="list-style-type: none"> • In the 2022-23 Clinical Audit Programme only 66% of the planned audits were fully completed; • The reports submitted to the Patient Experience, Quality and Safety (PEQS) Committee need to be enhanced to reflect outcomes or feedback on the audits that have been completed; and • Ensuring completed clinical audit files can be accessed. <p><i>What is the connection between this Audit report and the Patient Experience, Quality and Safety Committee?</i></p> <p>The Director of Corporate Governance explained that Patient Experience Quality Committee is required to seek assurance that there is an internal audit plan in place, and this was done at their first meeting of the year in April 2023. The Audit Risk and Assurance Committee receives all Internal Audit Reports and monitors the implementation of the action plan to address recommendations.</p> <p>The Committee noted that the Health Board should ensure that sufficient resources are available for clinical audits from within service areas, this was noted in the agreed management action whereby the plan would be shared with colleagues to ensure that prioritisation of audits is shared. In addition, the Committee requested that an additional action/activity be undertaken to ensure colleagues are clear about the importance of clinical audit.</p> <p>Action: Director of Corporate Governance</p> <p>The Committee:</p> <ul style="list-style-type: none"> • NOTED the Internal Audit Progress Report, including the findings and conclusions from the finalised audit reports. • APPROVED the proposed adjustments to the timing of the Additional Learning Needs Legislation audit.
ARA/23/042	<p>EXTERNAL AUDIT PROGRESS REPORT 2023-24</p> <p>The External Audit Manager presented the item which provided an update on the current and planned accounts and performance audit work at Powys Teaching Health Board. The planned areas of work were outlined as follows:</p>

- Review of unscheduled care – Part 1 field work is complete, and the report is in draft. Part 2 is due to commence in September 2023;
- Primary Care follow-up review – this audit is slightly delayed and will be brought to January 2023 Audit Risk and Assurance Committee;
- Workforce Planning review will be out for clearance in October and will be brought to the January or March 2024 Audit Risk and Assurance Committee;
- Structured Assessment - the draft report was being prepared and will be discussed with the Interim Chief Executive, Director of Finance; Information and IT, Director of Corporate Governance and Chair. This will then be reported to the Committee and the Board in due course;
- The deep dive into Digital will be deferred and replaced with a review of financial efficiencies. Financial efficiencies were originally planned for local work. The team will revisit what local work will take place instead, and it may be that this digital is looked at under local work. This will be confirmed in the next External Audit report to Audit Risk and Assurance Committee.

Independent Members sought assurance by asking the following questions:

Is it correct that in relation to review of unscheduled care all information is being collected and the review is currently in the draft stage?

The External Audit Manager explained that the draft report which focused on Discharge Out of Hospital was Part One and will come to the January 2023 Audit Risk and Assurance Committee. Part Two will focus the 'front door', i.e., how people were getting access to services, such as GP out of hours, minor injury units, and how well the 111 service was working. Part One was a regional report for the Health Board and the County Council and it is proposed that the Part One Report is considered by the to the Regional Partnership Board (RPB).

The Local Report included an examination of the actions taken by Regional Partnership Boards to secure timely and safe discharge of patients from hospital to help improve patient flow, how has this been established?

The External Audit Manager advised that the arrangements in place for discharge had been examined. The focus for RPB had been interviews with the Chair along with meetings with various statutory members of the RPB.

A lot of focus in the RPB relates to the Regional Integration Funds (RIF) designed to facilitate more effective discharge. The RIF will be examined to ascertain if it is delivering what is needed to be delivered. The other aspect to be examined in relation to the RPB is to what extent the statutory bodies themselves are sighted of what is happening within the RPB and ensuring this is enabling strategic direction. This will be reflected in the January 2023 Audit Report which will be shared with the RPB.

How long has the RPB been in existence?

	<p>The Director of Corporate Governance advised RPBs were set up under the Social Services and Wellbeing (Wales) Act 2014.</p> <p>The Committee DISCUSSED and NOTED the Report.</p>
<p>ARA/23/043</p>	<p>COUNTER FRAUD UPDATE</p> <p>The Head of Local Counter Fraud presented the item which provided an update on the key areas of work undertaken by the Counter Fraud Specialists during 2023/24.</p> <p>There has been lack of resource this year due to long-term sickness. Alternative arrangements have been utilised during this period of absence. It was highlighted that focus has been on increasing counter fraud awareness work.</p> <p>There had been a focus on the National Fraud Initiatives with proactive exercises that are run on a yearly basis. There are three exercises running concurrently each lead by specialists from different Health Boards.</p> <p>It was noted that the Economic Crime and Corporate Transparency Bill is currently in final amendment stage. This will bring in a new offence of failure to prevent fraud and will be enforced from late 2024.</p> <p>The National Fraud Initiative (NFI) reports contain data matched from payroll and other public sector organisations which highlight employees that are dual working or working whilst claiming sick leave. It can also flag staff on payroll who work for organisations that contract with the Health Board where procurement rules apply, and declarations of interest need to be made. Other NFIs look for duplicate creditors to ensure there is no invoice fraud.</p> <p>It was noted that issues relating to overpayment of salaries have been identified across NHS Wales. PTHB is not disproportionately affected by this issue.</p> <p>The Director of Finance, Information and IT advised that there are procedures and protocols in place to prevent this, but human error may lead to this taking place and the extra controls are welcomed.</p> <p>The Committee noted the ongoing support that had been provided by the wider Counter Fraud team in the absence of a Local Counter Fraud Specialist.</p> <p>The Committee RECEIVED the report for discussion and took ASSURANCE that appropriate counter fraud systems are in place.</p>

ARA/23/044

LOSES AND SPECIAL PAYMENTS REPORT

The Head of Financial Services presented the item which provided the Interim Report of Losses and Special payments for the period 1 April 2023 to 31 August 2023. It was noted that these payments fell into four key areas:

- Clinical negligence and personal injury

There was one receipt from Welsh Risk Pool in respect of Clinical Negligence and Personal Injury cases over 25k during 1st April 2023 to 31st August 2023.

- Redress (Putting Things Right)

There are currently 6 open redress cases at variable stages.

- General Medical Practice Indemnity (GMPI)

There are currently 4 open GMPI cases at variable stages of review/progression. There has been no reimbursement to date from Welsh Risk Pool during 2023/23 in respect of GMPI cases.

- Other Special Payments

The Committee RECEIVED the Interim Report on Losses and Special payments covering the period 1st April 2023 to 31st August 2023 taking ASSURANCE relevant systems are in place to report losses and special payments.

ARA/23/045

POST PAYMENT VERIFICATION (PPV) UPDATE

The Post Payment Verification Manager presented the item which provided an overview of how practices have been performing over the current Post Payment. PPV claims from General Medical Services (GMS), General Ophthalmic Services (GOS) and General Pharmaceutical Services (GPS) are undertaken as a part of an annual plan by NHS Wales Shared Services Partnership (NWSSP). Assurance is not provided in relation to General Dental Service (GDS).

Independent Members sought assurance by asking the following questions:

Can clarity be given on what is going to replace Medicine Use Review (MUR) service which was stopped because of Covid-19?

The Post Payment Verification Manager explained that MUR was stopped in March 2020 following Covid-19 and then PPV was stood down. Health Boards then requested that the Quality and Safety scheme to be subject to PPV. A pilot was conducted with another Health Board which was successful, and in April 2023 the Quality and Safety Scheme went live with communication sent to all community pharmacy to look at the collaborative working scheme. However, another potential initiative is being considered which would match invoice claims against prescriptions. The move to Electronic Prescribing expected to go live in 2024 has link to this.

	<p>The Committee RECEIVED and took ASSURANCE that appropriate systems are in place to implement and monitor the Post Payment Verification (PPV) cycle.</p>
<p>ARA/23/046</p>	<p>RISK MANAGEMENT ARRANGEMENTS</p> <p>The Director of Corporate Governance presented the item which provided an update on the risk management arrangements, outlining some key actions in the coming months including the proposed focus for Audit Risk and Assurance Committee.</p> <p>The current Risk Management Framework has been in place since November 2022 as well as the Board approved Risk Appetite Statement. There were currently 12 risks on the Corporate Risk Register, which are reported to the Executive Committee and the Board bi-monthly. They are also reported to each of the other Committees where there is a responsibility in relation to those risks in their terms of reference.</p> <p>Risk registers are in place across all Directorates which vary in terms of their approach and how they are monitored. Health Board Programmes of work also hold programme risk registers.</p> <p>One of the key actions for this year was to re-establish the Risk and Assurance Group (RAG) which has been done. This group plays a key role in looking across the organisation and making sure that there is clear understanding of some of the Directorate risks and emerging risks.</p> <p>The Integrated Performance Framework and the Integrated Quality Framework both play a key role in terms of identifying emerging and future risks.</p> <p>There has been an internal audit undertaken on the Risk and Assurance Framework approach, a reasonable assurance rating was confirmed.</p> <p>Two recommendations from the 2022 Structured Assessment done by Audit Wales drew out a number of actions relating to the Board Assurance Framework both internally and externally which are being addressed.</p> <p>A Board Development session in November will deliver Risk Appetite training and the Board will revisit the Risk Appetite Statement. The Health Board is revising its Corporate Risk Register which was delayed given the current financial environment. It was noted that within the Corporate Risk Register there will be enhanced level of assurance reporting in 2024/25.</p> <p>Independent Members sought assurance by asking the following questions:</p> <p><i>When will the Board Assurance Framework for this be available?</i></p> <p>The Director of Corporate Governance noted that it will be available March 2024.</p>

	<p>The Committee RECEIVED the update and took ASSURANCE that the Risk Management Arrangements were appropriate.</p>
<p>ARA/23/047</p>	<p>WELSH HEALTH CIRCULAR TRACKING</p> <p>The Director of Corporate Governance presented the item which provided the Committee with an overview of the current position relating to the implementation of Welsh Health Circulars (WHCs) and Ministerial Directions.</p> <p>It was highlighted that the report not only outlines the areas with no progress, partial or complete progress, but rather highlights those that are overdue as of September 2023. The appendices include additional detail including the Executive response. There remain a number of actions outstanding and the role for this Committee is to take assurance that there is a system in place to capture, monitor and report on progress against WHCs.</p> <p><i>How many Welsh Health Circulars are received in a year?</i></p> <p>The Director of Corporate Governance confirmed that quite a significant number of Welsh Health Circular are issued, this can be one or two a week.</p> <p>The Committee DISCUSSED the current position, taking assurance that the Health Board has a system in place to receive, manage and report against Welsh Health Circulars.</p>
<p>ARA/23/048</p>	<p>REGISTER OF GIFTS AND HOSPITALITY</p> <p>The Director of Corporate Governance presented the item which provided the latest position for the Register of Gifts and Hospitality for Board members and employees as of September 2023. It was noted that the Standards of Behaviour Policy enables the Board to ensure that its employees and Independent Members of the Board practice the highest standards of conduct and behaviour.</p> <p>The Committee was reminded that all items received above the value of £25 need to be declared and that communication would be shared with the organisation to remind colleagues of the Standards of Behaviour Policy.</p> <p><i>How long has it been £25?</i></p> <p>The Director of Corporate Governance stated that it has been quite consistent across the NHS for a long period of time, but it was a good point to be reviewed at the next policy review point.</p> <p>The Committee RECEIVED the contents of Register of Gifts and Hospitality for PTHB Board of September 2023 and took ASSURANCE that the organisation has appropriate processes to support the collection, management and reporting of declarations of gifts, in line with the Standards of Behaviour Policy.</p>

ARA/23/049	<p>COMMITTEE WORK PROGRAMME</p> <p>The Director of Governance highlighted the items noted for discussion at the January meeting would be included in the Work Programme.</p> <p>The Director of Workforce and OD presented the report and highlighted that the Health Board received the New Speaking up Safely Framework from Welsh Government via a Welsh Health Circular in September 2023. The timing had been brought forward because of the Letby case and it places an expectation on all staff and Board Members. It also requires Health Boards and other organisations to undertake a self-assessment and to put a development plan in place for any gaps that are identified. The self-assessment will be submitted to Welsh Government on the 30 October 2023 and will be brought back to Audit Committee.</p> <p>It was highlighted that there was a joint committee with Patient Experience, Quality and Safety and Workforce and Culture to look at the interrelationship between staff experience and patient experience. That meeting is scheduled for the 24 October 2023 and the draft Speaking up Safely Framework self-assessment will be sent to the Committee.</p> <p>The Committee RECEIVED and NOTED the Committee Work Programme.</p>
ARA/23/050	<p>ITEMS TO BE BROUGHT TO THE ATTENTION OF THE BOARD AND OTHER COMMITTEES</p> <p>There were no matters to be brought to the attention of the Board and other Committees.</p>
ARA/23/051	<p>ANY OTHER URGENT BUSINESS</p> <p>No other urgent business was declared.</p>
ARA/23/052	<p>DATE OF NEXT MEETING</p> <p>16 January 2024 at 10:00, Microsoft Teams</p>