



**GIG**  
CYMRU  
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WALES

Bwrdd Iechyd  
Addysgu Powys  
Powys Teaching  
Health Board

## AUDIT, RISK AND ASSURANCE COMMITTEE

### **CONFIRMED** MINUTES OF THE MEETING HELD ON TUESDAY 08 OCTOBER 2024 AT 10:00AM VIA MICROSOFT TEAMS

<b>MEMBERS</b>		
Rhobert Lewis	RL	Independent Member (Chair)
Ronnie Alexander	RA	Independent Member (General)
Steve Elliot	SE	Independent Member (Finance)
<b>IN ATTENDANCE</b>		
Anne Beegan	AB	Audit Wales (for Item 3.3)
Carl Cooper	CC	PTHB Chair (observer)
Fran Carapinha	FC	Corporate Governance Assurance and Risk Officer (Committee support)
Helen Bushell	HB	Director of Corporate Governance/Board Secretary (for Items 3.4 – 3.6, 3.11-3.12 and 5.1)
Ian Virgil	IV	Internal Audit (for Items 3.1 and 3.2)
Mathew Evans	ME	Counter Fraud (for Item 3.9)
Pete Hopgood	PH	Executive Director of Finance, Capital and Support Services and Deputy Chief Executive (for Item 3.8)
Sarah Pritchard	SP	Head of Financial Services (for Item 3.7)
Stewart Bodman	SB	Internal Audit (observer)
<b>APOLOGIES FOR ABSENCE:</b>		
Bethan Hopkins	BH	Audit Wales
Chris Walsh	CW	Independent Member (Local Authority)
Hayley Thomas	HT	Chief Executive Officer
Hywel Pullen	HP	Deputy Director of Finance
Laura Tovey	LT	Audit Wales
Mick Giannasi	MG	Independent Member (General)

#### **1. PRELIMINARY MATTERS**

##### **1.1 WELCOME AND APOLOGIES FOR ABSENCE (ARA/24/042)**

The Chair welcomed everyone to the meeting. Apologies for absence were received as recorded above.

##### **1.2 DECLARATIONS OF INTEREST (ARA/24/043)**

No declarations of interests were received in addition to those already on the register.

### 1.3 MINUTES OF PREVIOUS MEETING (ARA/24/044)

The minutes of the meeting(s) held on 9 July 2024 were **CONFIRMED** as an accurate record subject to the following amendments:

- Inclusion of apologies received

### 1.4 ACTION LOG (ARA/24/045)

Three actions **NOTED** as closed and one action to be kept open for review:

- ARA/24/16–It was agreed the action to remain open until the Procedure including the Committee responsible for tracking high priority audit recommendations is included in the PTHB Handbook and presented at the January 2025 Committee.

The Committee **RECEIVED** and **NOTED** the Action Log.

## 2. ITEMS FOR APPROVAL/RATIFICATION/DECISION

There are no items for inclusion in this section

## 3. ITEMS FOR ASSURANCE

### 3.1 INTERNAL AUDIT PROGRESS REPORT 24/25 (ARA/24/046)

IV introduced the progress report highlighting that the Executive Summaries of the Final reports are included in section 6 of the Progress report as those have been finalised since the last Audit Risk and Assurance Committee in July 2024. The full copy of the final reports are included as separate items in the agenda for information.

Current position with progress of the 2024/25 plan:

- Two audits have been finalised
- Seven audits are currently work in progress with planned delivery through the remainder of the year.
- IV outlined that management had requested that the audit of Mental Health Care and Treatment Planning move from Q2/3 to Q4 as the NHS Executive are currently undertaking a separate audit of Care and Treatment Planning.

A summary of the current performance against Key Performance Indicators was given as per the report, which was largely as expected, and the near completed reports were scheduled for the January Committee.

IV confirmed the new Global Internal Audit Standards (GIAS) which will become effective from January 2025 and will Apply to Public Sector Audits from 1 April 2025 to align with the New Financial Year. It is anticipated that no major changes will be required to the internal audit approach with the exception of one potential change around how we monitor and evidence the implementation of the agreed management actions.

Full details of the New Standards and the Impact on the delivery of the Internal Audit results, will be reflected in the Annual Plan presented to the Committee in March 2025.

The Committee raised the following question/observations:

*Is there confidence that any audits behind schedule will be delivered effectively on time during this reporting year?*

Resources have been made available to support the delivery of the two audits that were not finalised in time to come to the Committee. We are

confident that we will be able to deliver the full plan in time to feed into the Opinion for this year.

*Have Internal Audit considered the potential extra costs attached to the New Global Standards?*

Our daily rates include a charge for additional work above the base rate and we don't anticipate that the New Global Standards are going to cause any change to our processes or that would lead to a change to the charge for our services.

*As there are a high level of reports to be presented at the next meeting, can the reports be made available as they become available to make read easy?*

A change of approach to how we circulate the reports can be discussed to issue reports before the Committee deadline.

The Committee **RECEIVED** the Internal Progress report and **NOTED** the adjustment to the 2024/25 plan.

### **3.2 INTERNAL AUDIT REPORTS (ARA/24/047)**

IV gave an overall view of the Assurance obtained from the following Audits:

- a) End of Life Care Services (Reasonable Assurance)
- b) Integrated Performance Framework (Substantial Assurance)
- c) Integrated Plan Development Process (Reasonable Assurance)
- d) Cleaning Standards (Reasonable Assurance)

#### **a) End of Life Care Services (Reasonable Assurance)**

IV Presented the report which reviewed the structures and processes in place for the provision of end-of-life care services for the residents of Powys.

The committee made the following observations:

- *The identified staffing issues and lack of medical provision is concerning, and we should seek clarification of the situation from the Medical Director.*
- *It is appreciated that EOL Care can be very short term but does the Audit process collect information on patient/family opinion on the delivery of EOL?*

IV confirmed that the audit process does not have the required clinical expertise, and it would be very challenging to manage the necessary interaction with the patient to collect data on patient opinion.

- *More work is required to make sure Directorate and Service context is linked to the Integrated quality and Performance framework to facilitate communication of concerns/issues to the Board Committee.*

#### **b) Integrated Performance Framework (Substantial Assurance)**

IV Presented the report which reviewed how the Integrated Performance Framework has been introduced and establish it is being appropriately utilised to provide effective assurance on the services being provided and commissioned.

### **c) Integrated Plan Development Process (Reasonable Assurance)**

IV Presented the report which reviewed the processes and assumptions used for developing the 2024/2027 Integrated Plan and Annual Delivery Plan with a focus on the assessment of financial plans.

The Committee made the following observations:

- Limited assurance was given to the statutory duty to break even when there was no assurance that we would break even in the short term. It is not clear the reasoning of Limited Assurance versus No Assurance.

*IV confirmed that the term NO Assurance is no longer used and instead use Unsatisfactory Assurance to reflect the acknowledgement that the Health Board is making efforts to improve and meet the level of assurance required.*

The report finds five areas of assurance as substantial, noting the organisations current situation of enhanced monitoring for planning, strategy and finance. The Committee also note the possibility that this escalation may increase to targeted intervention at future review points by Welsh Government.

### **a) Cleaning Standards (Reasonable Assurance)**

IV presented the report which reviewed the processes and controls in place to ensure compliance with cleaning standards in place within the Health Board.

The committee made the following observations:

- *More clarity is required regarding the lines of reporting to Delivery & Performance Committee and Planning, Partnerships and Population Health Committee is required.*

HB suggested a further discussion regarding lines of reporting from the service to the relevant Committees is required.

**ACTION: Director of Corporate Governance**

The Committee **RECEIVED** and **NOTED** the internal audit reports including their findings

### **3.3 EXTERNAL AUDIT PROGRESS REPORT 2024/25 (ARA/24/048)**

AB presented the Audit Progress Report which provides an update on the current and planned accounts and performance audit work presented to the Committee in May 2024.

AB confirmed that an error in the report have now been corrected as follows:  
- P7 Performance Audit update – says Financial Efficiency Status issued in draft. This is now complete and submitted.

*The Committee asked if the planned review of arrangements for managing agency staff include Mental Health wards?*

AB stated that when the exact scope of the work is developed, if Mental Health wards identified as valuable to the audit work, those will be included.

It was also agreed that, going forward, consideration will be given to introducing a staggered approach to presenting reports to the committee.

AB presented the Cost Savings Report which examines whether the Health Board has an effective approach to identifying, delivering and monitoring sustainable cost savings opportunities.

The report gives a summary of the audit findings supporting the audit overall conclusions and recommendations to accelerate the work on introducing a new more financially sustainable service model and to ensure it has the necessary skills and capacity to support the changes required.

PH presented the Management Response to the recommendations which confirms that the Health Board accepts and welcome all the recommendations from the Audit Wales team.

In summary, the status of the audit recommendations is mostly complete and or complete and ongoing.

The committee made the following observations:

- *The number of recommendations addressed to the new Director of Improvement and Transformation will require some support by the wider Executive Team to make sure that the team can deliver change and the ongoing work around sustainability of the Health Board.*
- *Because a number of those recommendations are complete and ongoing, the process of tracking the dual status will require some further thought.*
- *The fact that the audit report identified the need to quantify both financial gain and the benefits to the patients as a result of the Accelerated Sustainable Model (ASM) is a positive.*

The Committee **RECEIVED** the report and **NOTED** the time scales for the presentation of the financial statements.

### **3.4 AUDIT REPORT – ROLES AND RESPONSIBILITIES (ARA/24/049)**

HB presented an overview of the suggested roles and responsibilities relating to Internal and External Audit reports, as basis for discussion and to inform future work.

The presentation introduced the plan for development of an audit handbook in partnership with Internal and External Audit colleagues.

The objective of the audit handbook is to provide guidance, information, training and support to staff on how to respond to audit.

Special mention was given to the audit interviewees and the need to consider the environment and the culture to provide people with the confidence to speak freely and openly and willingly contribute to the audit.

The committee made the following observations:

- *We should make sure that the handbook and changes to the audit process are adopted gradually*
- *It is important to reflect on the reflections made and make sure that the changes proposed will materialise.*

- *It is important that we tackle and manage issues triggered by the audit that are not particularly related to the audit process.*
- *Where recommendations are not accepted, a satisfactory/robust process to manage and potentially close those recommendations is required.*

The committee acknowledge and commended the effort involved in the new approach to make the Audit process clearer and more user friendly.

It was requested that a copy of the slide's presentation is made available to the Committee.

**ACTION: Director of Corporate Governance**

The Committee **CONSIDERED** the presentation outlining the suggested roles and responsibilities relating to the Internal and External Audit reports and demonstrated support towards the development of the Audit process Handbook.

**3.5 AUDIT RECOMMENDATION TRACKER (ARA/24/050)**

HB presented the Audit Recommendation Tracker (External and Internal Audit), which provides an overview of the position relating to the Implementation of Audit Recommendations, arising from reviews undertaken by Internal Audit, External Audit (Audit Wales) and Local Counter Fraud Services as of 31 August 2024.

The following update on the Internal and External recommendation status was given:

Internal Recommendations

- 11 actions completed
- 35 not yet due
- 19 Outstanding or overdue

External Recommendations

- 0 actions completed
- 14 not yet due
- 1 outstanding or overdue

The report confirms there are no outstanding recommendations from Local Counter Fraud Services

The overall number of outstanding recommendations have increased from 13% to 21% since the last report. The increase relates to a small number of recommendations where response have not been received. This could be due to the recent gaps in the Executive Committee and Senior Structure.

The Committee asked the following question:

*Is the audit team comfortable and satisfied with the speed and overall response rate of the Health Board?*

IV confirmed as per the last audit review of actions at year end, there was an overall comfort with the response rate received from the Health Board.

The committee made the following observations:

- *It is necessary to recognise and investigate long overdue recommendations to identify the cause for those delays and or if those recommendations have been superseded or no longer appropriate.*
- *The status classification needs to be reflective and inclusive of recommendations that are no longer appropriate.*
- *The tracking process needs to be able to track how often deadlines are extended and record context that explains the current position.*

The Committee **CONSIDERED** the current position of outstanding recommendations and **TOOK ASSURANCE** that the organisation has an appropriate system for tracking and responding to Audit Recommendations.

### **3.6 BOARD ASSURANCE FRAMEWORK (ARA/24/051)**

HB presented an update to the last approved Board Assurance Framework approved in May 2024.

The presentation focused particularly on the three main perspectives of the Board Assurance Framework (BAF), Strategic Risks, Board Assurance and Thematic reviews, and give the following updates:

- Strategic level risks – The process to manage strategic risks was reviewed in July 2024 and developed to incorporate corporate risks into the remit of committees. The corporate risk register has been improved and the process now enables review and discussion of those risks from top down into the Organisation at directorate level via the re-instated Risk and Assurance Group that meets bi monthly. This work is ongoing and will continue.
- Board governance – a system is being developed to undertake an assessment of assurance against regulatory documents and performance.
- The process to conduct thematic reviews – this area is not yet developed and still in the planning phase. The objective is to create an internal approach to carry out examination of specific areas with the aim to continually identify best practice and where improvements could be made. Expected to be commenced in 2025/26.

HB stated that there are plans to also develop a process to monitor the effectiveness of the Board Assurance Framework (BAF).

The Committee raised the following questions:

*If I was asked today if we have a BAF, when would I be able to say that we have a fully working BAF?*

A fully working BAF is expected in the next financial year. The Risk and the Board Governance elements of the BAF, are expected to be in place by the end of this financial year 2024/25.

The Committee **RECEIVED** and **NOTED** the Board Assurance Framework update.

### **3.7 LOSSES AND SPECIAL PAYMENTS (ARA/24/052)**

SP presented the Interim report on Losses and Special Payments for the period 1 April 2024 to 31 August 2024 relating to payments made on behalf of cases for which PTHB have responsibility.

A full Annual report will be presented at the May 2025 Committee.

The committee raised the following questions:

*This report excludes larger cases that tend to refer to large sums of money, such as cases involving general district hospitals?*

Yes. The cases reported only include claims directly under the care of Powys Health Board within its provider or and with the GP services.

*Is it possible to include some trend analysis from previous years on the Annual report?*

Yes, feedback on trend analysis will be provided. We will also provide a snapshot of the Welsh risk pool report that shows the Health Board position in comparison to all Wales.

The Committee **RECEIVED** and **NOTED** the Interim Report for 2024/25 for Losses and Special Payments.

### **3.8 SINGLE TENDER WAIVERS (INCLUDING EXTENSIONS TO CONTRACTS) (ARA/24/053)**

The Committee **NOTED** that no Single Tender Waiver requests were made between 1 July and 30 September 2024.

### **3.9 COUNTER FRAUD UPDATE (ARA/24/054)**

ME presented the Counter Fraud Report update which gives an update on key areas of work undertaken by the Local Counter Fraud Specialists during 2024/25

ME explained the proposals to change the approach to counter fraud and made special reference to the following matters:

- Renewed emphasis on prevention
- Strengthening arrangements for staff to make referrals to Counter Fraud Services

The committee made the following observation:

*As we move progressively towards employment of international doctors and nurses to support our staffing position, we must be scrupulous in the emigration status of the staff we employ.*

Assurance has been given that the process to check emigration status have been strengthened within the Health Board locally, shared services and the recruitment team.

The Committee **RECEIVED** the update report for discussion and **TOOK ASSURANCE** that appropriate counter fraud systems are in place.

### **3.10 INFORMATION GOVERNANCE PERFORMANCE REPORT (ARA/24/055)**

HB presented the report which provides assurance of the arrangements in place to ensure the Health Board complies with its statutory obligations in relation to data protection legislation, national frameworks and good practice.

The report relates to Q1 of 2024/25 (1 April 2024 to 30 June 2024) and highlights the following updates:

- 24 out of the 128 Freedom of Information (FOI) requests received, did not comply with the statutory target to reply. A rate of 90%.
- 4 out of the 199 Personal Information requests received did not comply with statutory target to reply. Showing improvement since last report.
- Information Governance (IG) Training shows 90% compliance.
- 31 Information Governance Incidents related reported.

Special attention was called to the current Executives's Mandatory training compliance of 84% (16 out of 19) which represents a non compliance with the National list.

The committee made the following observation:

*It is necessary to seek clarity from ESR about Chief Executive office staff including IMs because the information given is sometimes contradictory.*

The committee raised the following questions:

*In terms of the Freedom of Information's breaches, is there a process to monitor and manage response times to minimise breaches?*

Yes, there is a process in place that alerts staff for the timescales and how close a FOI request is getting to the deadline for response. Where delays are identified, we inform the requester and give an indication of the time scale.

*Do some of the FOI requests involve our Commissioner Service Partners. This would impact on how we perform comparing to other Health Boards?*

Yes. Arrangements will be made to include that information on the Annual report.

**ACTION: Director of Corporate Governance**

The Committee **RECEIVED** the contents of the report for assurance and **NOTED** any actions required to improve compliance.

### **3.11 STANDARDS OF BEHAVIOUR (ARA/24/056)**

HB presented the report which presents the position on the 5 September 2024 in respect of declaration/register of Interest and Gifts and Hospitality for Independent Members and Executive Directors and updates on developments being made to processes.

The Committee **RECEIVED** the contents of Register of Interests, Gifts and Hospitality for PTHB Board Members at 5 September 2024, and **TOOK ASSURANCE** that the organisation has appropriate processes to support the collection, management and reporting of Declarations of Interests, Gifts and Hospitality in line with the Standards of Behaviour Policy.

### **3.12 WELSH HEALTH CIRCULAR (WHC) TRACKER (ARA/24/057)**

HB presented the report which provides an overview of the current position relating to the Implementation of Welsh Health Circulars (WHCs) and Ministerial Directions (MD).

The following overview of the position as of the 12 September 2024 was given:

- For those WHCs received in 2018 there are 48 Complete
- For those WHCs received in 2019 there are 39 Complete
- For those WHCs received in 2020 there are 17 Complete
- For those WHCs received in 2021 there are 26 Complete
- For those WHCs received in 2022 there are 26 Complete, 3 Partially Complete, 1 Not Yet Due and 1 No Progress.
- For those WHCs received in 2023 there is 27 Complete and 1 No Progress
- For those WHCs received in 2024 there is 7 Complete, 5 Partially Complete, 5 Not Yet Due and 7 No Progress
- For those Ministerial Directions received in 2022 there is 1 Complete and 1 Not Yet Due
- For those Ministerial Directions received in 2023 there is 7 Complete

HB stated that the number of WHCs is increasing, and it is necessary to make sure that the systems are able to monitor and track those effectively.

The committee raised the following questions:

*How often do we report on WHCs and Ministerial Directions? Is it necessary to look into making the process more systematic?*

We report on WHCs and Ministerial Directions bi-annually and also into the annual accountability report and governance statements. The current mechanism in place to track and collect updates is relatively systematic and consideration will be given to automating the reporting to reduce the margin for error.

The Committee **RECEIVED** the report and **TOOK ASSURANCE** that the organisation has a system in place to receive, monitor and implement Welsh Health Circulars (WHCs) and Ministerial Directions (MDs)

### **4. ITEMS FOR DISCUSSION**

There are no items for inclusion in this section

### **5. OTHER MATTERS**

#### **5.1 COMMITTEE ANNUAL WORK PROGRAM (ARA/24/058)**

The committee **TOOK ASSURANCE** and **NOTED** the Annual work programme. There were no amendments or questions.

#### **5.2 ITEMS TO BE BROUGHT TO THE ATTENTION OF THE BOARD AND OTHER COMMITTEES (ARA/24/059)**

The following items were agreed to be brought to the Board and other Committees:

- The committee suggested that the Internal audit recommendation to accelerate the route map for sustainability is brought to the attention of the Board

- HB suggested a further discussion regarding lines of reporting from service to Delivery & Performance Committee (D&P) and Planning, Partnerships and Population Health Committee (PPPH) is required

### **5.3 ANY OTHER URGENT BUSINESS (ARA/24/060)**

The Committee noted this was Rhobert Lewis's (RL) last meeting as Chair of the committee. Committee members acknowledge his contribution to the Health Board and passed on their thanks. RL responded to extend his thanks to the Health Board and to all External and Internal Auditors and anyone else from outside the NHS who contribute to the Group.

### **5.4 COMMITTEE FEEDBACK (ARA/24/061)**

Feedback provided in 5.3. No other feedback was received.

### **5.5 DATE OF NEXT MEETING**

The date of the next meeting is scheduled on 14 January 2025 at 10:00 via Microsoft Teams.

*Meeting closed at 12:58*