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Bwrdd Iechyd
Addysgu Powys
Powys Teaching
Health Board

AUDIT, RISK & ASSURANCE COMMITTEE

CONFIRMED

MINUTES OF THE MEETING HELD ON TUESDAY 09 July 2024 VIA MICROSOFT TEAMS

Present:

Rhobert Lewis (RL)	Independent Member (Chair)
Chris Walsh (CW)	Independent Member (Local Authority)
Steve Elliot (SE)	Independent Member (Finance)
Mick Giannasi (MG)	Independent Member (General)

In Attendance:

Hayley Thomas (HT)	Chief Executive Officer (until 11.00)
Pete Hopgood (PH)	Executive Director of Finance, Capital and Support Services and Deputy Chief Executive
Debra Wood Lawson	Executive Director of People and Culture
Hywel Pullen (HP)	Deputy Director of Finance
Sarah Pritchard (SP)	Head of Financial Services
Helen Bushell (HB)	Director of Corporate Governance/Board Secretary
Bethan Hopkins (BH)	Audit Wales
Mike Jones (MJ)	Internal Audit
Ian Virgil (IV)	Head of Internal Audit
Jayne Gibbon (JG)	Internal Audit
Mathew Evans (ME)	Counter Fraud
Rhys Meadows (RM)	Audit Wales
Helen Grindell (HG)	(Health & Care Research Wales)
Catherine Quarrell (CQ)	(Health & Care Research Wales)

Apologies

Ronnie Alexander (RA)	Independent Member
Marie Davies (MD)	Deputy Director Nursing
Alice King (AK)	Audit Wales
Cathie Poynton (CP)	Independent Member (Trade Union)
Kirsten Jones (KJ)	Llais
Simon Wright (SW)	Independent Member (University)
Simeon Foreman (SF)	Deputy Board Secretary

Observers:

Laura Tovey (LT) Internal Audit
Toboline Mupita (TM) Observer and Mentee of Vice-Chair
Carl Cooper (CC) PTHB Chair

Committee Support

Elizabeth Patterson (EP) Interim Head of Corporate Governance
Fran Carapinha (FC) Corporate Governance Assurance and Risk Officer

ARA/24/024	WELCOME AND APOLOGIES The Committee Chair welcomed everyone to the meeting and confirmed that a quorum was present. Apologies for absence were noted as recorded above.
ARA/24/025	DECLARATIONS OF INTEREST The Committee ACKNOWLEDGED that all Executive and Independent Member's remuneration were included in the accounts.
ARA/24/026	MINUTES OF THE MEETINGS HELD 14 May 2024 The minutes of the meetings held on the 14 May 2024 were reviewed and were ACCEPTED as a true and accurate record. <ul style="list-style-type: none">• HB confirmed the action on p.8 has been completed and the item added to the Chairs Meeting Agenda.
ARA/24/027	COMMITTEE ACTION LOG Two actions NOTED as Closed and one action to be kept Open for review: <ul style="list-style-type: none">• ARA/24/13 – It was AGREED that the wording is reviewed to include the Health Board's response and if appropriate, transfer this action is transferred to the relevant Committee for assurance. The Committee RECEIVED and NOTED the Action Log.
ARA/24/028	ANNUAL REPORT AND ACCOUNTS 2023-24 INCLUDING: <ul style="list-style-type: none">• Performance Report• the Accountability Report, including:<ul style="list-style-type: none">○ Corporate Governance Report○ Remuneration and Staff Report○ Parliamentary Accountability and Audit Report• the Financial Statements 2023/24• Enquiries of Management and those charged with Governance.

	<p>The Committee observed that the report was very similar to last draft presented and suggested the presentation focus mainly on changes.</p> <p>PH presented the financial statements 2023/24. The Health Board had met the control total with a deficit of just under £12m and remained within the capital resource limit of £6.5m.</p> <p>HB presented the remainder of the Annual report 2023/24 and highlighted the following points:</p> <ul style="list-style-type: none"> • No significant changes had been made to the Accountability Report since the draft report presented at this meeting in May 2024. • The Performance Report has been added to report following review and comments through the Delivery and Performance Committee. <p>HB acknowledged the review and changes to the Annual Report and Accounts made by the different teams and members that help to formulate and build the accuracy of the report.</p> <p>The Committee made the following observation:</p> <ul style="list-style-type: none"> • The length of the document and its content required attention and reference to achievements highlighted to the public. • Page 3 of the report be amended from £11,983m to £11.938m. <p>Action: Director of Corporate Governance/Board Secretary</p> <p>The Committee:</p> <ul style="list-style-type: none"> • NOTED the contents of the report • NOTED the accounts have been subject to a statutory audit by Audit Wales (External Audit) • RECOMMEND to the Board at its meeting on 11 July 2024 to approve and sign the Annual Report and Financial Accounts for year ending 31 March 2024 • NOTED the responses to enquiries of management and those charged with governance.
ARA/24/029	<p>AUDIT WALES ISA260 AUDIT REPORT INCLUDING LETTER OF REPRESENTATION</p> <p>MJ presented the report and highlighted the following updates since the last 2023-24 report was presented to the Committee:</p> <ul style="list-style-type: none"> • Manager and Engagement Lead Final Review completed. • Audit Opinion – In line with last year’s opinion is qualified as the Health Board did not meet its revenue resource limit over the three years to 2023-24. • It was proposed that a substantive report is issued. • There are no uncorrected misstatements or significant issues. • The errors identified in the 2022/23 audit relating to payable and accruals were not found in the testing of the balances or transactions for the year ending 31 March 2024.

	<ul style="list-style-type: none"> The materiality for the current year 2023-24 is confirmed as £4.46m, with some areas showing a lower figure. <p>The Committee commended the good working relationships between the Finance and Audit teams and how they support each other in the preparation of a good Audit and Accounts report.</p> <p>The Committee also noted the improvements reported.</p> <p>The Committee RECEIVED and accepted the Letter of Representation.</p>
ARA/24/030	<p>HEAD OF INTERNAL AUDIT OPINION 2023/24</p> <p>IV presented the Final Head of Internal Audit Opinion 2023-24 Report. The reported findings were summarised highlighting a few changes from the draft Opinion report presented in May 2024:</p> <ul style="list-style-type: none"> Three out of the four audits outstanding on the draft report presented in May 2024, have now been completed to a draft stage and outcomes included in this Head of Internal Opinion report. The outcome of remaining outstanding audit will inform the 2024/25 Head of Audit Opinion report. In Summary, 21 individual audits were completed in 2023/24. The outcome of three of those audits demonstrated Substantial Assurance, 16 demonstrated Reasonable Assurance and two demonstrated Limited Assurance. <p>This report has been reflected within the Health Board Annual Report as part of the Annual Governance Statement.</p> <p>The Committee raised the following questions:</p> <p><i>How does our overall Reasonable Assurance position compare to other Health Boards?</i></p> <p>There is overall Reasonable Assurance opinion across the other organisations with two or three having Limited Assurance opinions, therefore, Powys is in the positive side comparing to other Health Boards.</p> <p><i>Is the Audit programme stretching to all areas of the organisation or focusing only on the main central points?</i></p> <p>Internal Audit try not to duplicate assurance and focus their work in providing assurance on areas where additional assurance is needed, or the assurance position is not clear and can benefit from review. A more in-depth approach will be considered and will encourage members to advise where help is needed so work can be extended to cover these areas.</p> <p><i>Is there a theme identified that could support the organisation progress from Reasonable Assurance to a more Substantial Assurance position?</i></p>

	<p>There is a plan to collect data for trend and themes analysis and develop a database which will enable the identification of key themes and provide feedback on themes and trends. This will be presented at the January Committee and annually thereafter. It is predicted that the feedback on those themes alongside with other outcomes will identify areas needing more focus.</p> <p>The Committee CONSIDERED and NOTED the Head of Internal Audit Opinion and Annual Report for 2023/24.</p>
ARA/24/031	<p>INTERNAL AUDIT PROGRESS REPORT 2024/25 AND FINAL INTERNAL AUDIT 2023/24</p> <p>IV presented the report which included the initial progress on the 2024/25 work programme and overall view of assurance obtained from the following Audits:</p> <ul style="list-style-type: none"> • Continuing Health Care – Reasonable Assurance • Patient Experience – Reasonable Assurance • Risk Management and Assurance – Reasonable Assurance <p>The report provided information regarding the progress of Internal Audit work in accordance with the agreed plan. Following the Head of Internal Audit opinion update, matters highlighted to the Committee relating to the 2023/24 Audit Plan were:</p> <ul style="list-style-type: none"> • Three audits completed (Substantive Assurance) • 16 audits completed (Reasonable Assurance) • Two audits completed (Limited Assurance) • One outstanding audit will feed into 2024/25 report. <p>For the 2024/25 Audit Plan the following update was given:</p> <ul style="list-style-type: none"> • 27 audits planned of which: <ul style="list-style-type: none"> ○ Three are in progress ○ Six are in the planning stage ○ One will be brought forward from 2023/24 ○ One will be deferred to 2025/26 (Audit Recommendation Tracking process) <p>Concern was expressed that audit scheduling was heavily weighted to the later part of the year and requested that reporting to the Committee would be staggered to accommodate the number of audits falling due between January and March.</p> <p>ACTION: Director of Corporate Governance</p> <p>a) <u>Continuing Health Care (Reasonable Assurance)</u></p> <p>JG presented the report which reviewed the process in place for the assessment, approval, recording and monitoring of Continuing Health Care (CHC) and Funded Nursing Care (FNC) to ensure that care is provided to the required standards with appropriate financial controls in operation.</p>

	<p>The report confirmed reasonable assurance with five key matters arising.</p> <p>Members expressed concern that the management response referred to a lack of capacity to process applications. PH outlined that CHCs had been an area of focus due to financial impact. The National Value and Sustainability Board is expected to issue guidance on resourcing levels for CHC teams. The Investment Benefits Group will scrutinise any business case for additional resource.</p> <p><i>Which Committee will track these high level recommendations?</i></p> <p>PH advised that a decision on how to track this (via an action for Audit, Risk and Assurance Committee or a transferred action to the Delivery and Performance Committee) would be considered with the Director of Corporate Governance.</p> <p>Action: Executive Director of Finance, Capital and Support Services and Director of Corporate Governance</p> <p><u>b) Patient Experience (Reasonable Assurance)</u></p> <p>IV presented the report which reviewed the arrangements and processes in place within the Health Board for capturing and utilising patient experience.</p> <p>The report confirmed reasonable assurance with two key matters arising.</p> <p>IV confirmed this report sample tested patient experience in Therapy Services rather than patient experience across all provided and commissioned services.</p> <p><u>c) Risk Management and Assurance (Reasonable Assurance)</u></p> <p>IV presented the report explaining this audit is undertaken annually. It confirmed reasonable assurance with four key matters arising.</p> <p><i>How is the Risk and Assurance Group (RAG), established as part of the Board Assurance Framework developing and maturing?</i></p> <p>HB advised that RAG was a Sub Group of the Executive Committee. It had been stood down during the Covid-19 pandemic. Recent appointments meant the reconvened group should again meet regularly.</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 2024/25 plan.
ARA/24/032	<p>EXTERNAL AUDIT REPORT 2023/24</p> <p>BH presented the External Audit report 2023/24 and gave a progress update on the following Audits:</p> <ul style="list-style-type: none"> • Accounts Audit (already covered in Item 3.1) • Performance Audit: <ul style="list-style-type: none"> ○ the Review of Urgent and Emergency Care had been published

	<ul style="list-style-type: none"> ○ the deep dive into Financial Efficiencies was in the draft stage ○ the Structured Assessment 2023 Deep Dive Efficiencies was in the draft stage ○ Local work on efficiencies did not take place. The audit fee was refunded ○ All Wales thematic review of planned care at field work stage ○ Structure Assessment 2024 at planning stage ○ Structured Assessment 2024 Deep Dive Investment in Digital Systems at planning stage ○ Local Work reviewing arrangements for managing agency staff not yet started. <p>MJ added that since the last meeting of the Committee the Annual Report and Accounts of Charitable Funds had been signed and sent to the Charity Commission.</p> <p>It was reported that the external audit efficiency report had not yet been finalised and the Committee sought to understand the reasons for this. External audit colleagues explained the delay related to the moderation process. It was anticipated this would be presented to the Delivery and Performance Committee in August 2024.</p> <p>The Committee RECEIVED the report.</p>
ARA/24/033	<p>COUNTER FRAUD UPDATE</p> <p>ME presented the report and advised that the level of activity had been impacted by long term sickness absence with the postholder returning to work in January 2024. The service has continued to receive reports of fraud with no particular pattern emerging, examples included working whilst on sick leave, and contractor fraud. Consideration is being given to strategic governance arrangements for counter fraud services in Wales which would be consulted upon.</p> <p>The Committee RECEIVED the report and took ASSURANCE that appropriate counter fraud systems are in place.</p>
ARA/24/034	<p>SINGLE TENDER WAIVER (INCLUDING EXTENSIONS TO CONTRACTS)</p> <p>The Committee NOTED that no Single Tender Waiver requests were made between 1 May 2024 and 30 June 2024.</p>
ARA/24/035	<p>HOSTED BODY ANNUAL REPORT (HEALTH AND CARE RESEARCH WALES)</p> <p>DWL introduced the item confirming PTHB as the host body and therefore the important role for this Committee to seek assurance against the hosting agreement on an annual basis. HG gave a presentation on the Hosted Body Annual Report from Health and Care Research Wales (HCRW), a pan-Wales body hosted by the Health Board.</p> <p>The key points highlighted were:</p> <ul style="list-style-type: none"> • Compliance with Health and Safety, Finance and Workforce:

	<ul style="list-style-type: none"> - Risks have been managed in line with Powys Risk Management policy, no risks above 12. - Core budget in place provided by Welsh Government - Performance and Development Reviews, in April showed 70% compliance, mandatory training 90%, absence 3-4%, staff turnover 1.4%. <p>HCRW uses mainly hybrid working arrangements with some accommodation across Wales but the main office in Cardiff.</p> <p>The Hosting Agreement has been in place for some time but not with this team. It was taken over and discussed at the Board in 2023 and then assigned to this Committee. This is the first time the Hosted Body Annual Report has been presented to the Audit Risk and Assurance Committee.</p> <p>The Committee RECEIVED the report and took ASSURANCE that a hosting agreement is in place, both parties fulfil their roles appropriately and monitoring systems are in place across the year.</p>
ARA/24/036	<p>CONFIRMATION CLINICAL AUDIT PROGRAMME IN PLACE</p> <p>HB presented the report on behalf of Kate Wright. A copy of the Audit plan is included in appendix to the report.</p> <p>This Audit report takes a slightly different approach in comparison to Internal and External Audits. A mid-year update and then an annual report is presented to the Patient Experience, Quality and Safety Committee, which includes progress on reports, key actions and lessons learned.</p> <p>The Committee took ASSURANCE that the Health Board has in place a Clinical Audit Plan, which is overseen by the Patient Experience, Quality and Safety Committee.</p>
ARA/24/037	<p>AUDIT RECOMMENDATION TRACKER</p> <p>HB presented the report providing an overview of the current Audit Recommendations Tracker with the following update on the recommendation status:</p> <ul style="list-style-type: none"> • 24 Actions completed. • 42 not yet due • 16 outstanding or overdue, with four of those relating to limited or no Assurance. <p>The overall number of recommendations had reduced since the last report and the Committee noted the positive improvement in the last 12 to 14 months.</p> <p>The Committee made some observations regarding the presentation/format layout of the report and process followed to ensure recommendations are monitored in a timely manner:</p>

	<ul style="list-style-type: none"> • Graph analysis need to read in conjunction with the relevant narrative or be hyperlinked to the report. • The process needs to give assurance that all recommendations are monitored in a timely manner. <p>The Committee CONSIDERED the current position of outstanding audit recommendations and took ASSURANCE that the organisation has an appropriate system for tracking and responding to audit recommendations.</p>
ARA/24/038	<p>COMMITTEE ANNUAL WORK PROGRAMME</p> <p>The Committee TOOK ASSURANCE and NOTED the annual work programme. There were no amendments or questions.</p>
ARA/24/039	<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 or other committees.</p>
ARA/24/040	<p>ANY OTHER URGENT BUSINESS</p> <p>No other urgent business was declared.</p> <p>The Committee noted the retirement of Jane Gibbon (JG), Internal Audit Manager, at the end of August. Committee members acknowledged her contribution to the Health Board and passed on their thanks and best wishes for retirement. JG responded to extend her thanks to the Health Board for the help and engagement during her role as Audit Manager and advised she would be returning to the team in a different role</p>
ARA/24/041	<p>DATE OF NEXT MEETING</p> <p>8 October 2024 at 10:00, Microsoft Teams</p>