



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd
Addysgu Powys
Powys Teaching
Health Board

AUDIT, RISK & ASSURANCE COMMITTEE

CONFIRMED

MINUTES OF THE EXTRAORDINARY MEETING HELD ON TUESDAY 13 JUNE 2022 VIA MICROSOFT TEAMS MEETING

Present:

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| Mark Taylor | Independent Member – Capital and Estates (Committee Vice-Chair) |
| Rhobert Lewis | Independent Member - General |
| Ian Phillips | Independent Member - ICT |

In Attendance:

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| Carol Shillabeer | Chief Executive |
| Gareth Lucy | External Audit |
| Ian Virgil | Internal Audit |
| Jayne Gibbon | Internal Audit |
| Pete Hopgood | Director of Finance and IT |
| James Quance | Interim Board Secretary |
| Andrew Gough | Deputy Director of Finance |
| Sarah Pritchard | Head of Financial services |

Observers:

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| Vivienne Harpwood | PTHB Chair |
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Committee Support

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| Stella Parry | Interim Corporate Governance Manager |
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Apologies

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| Tony Thomas | Independent Member – Finance (Committee Chair) |
| Ronnie Alexander | Independent Member – General |
| Matthew Dorrance | Independent Member – Local Authority |
| Claire Powell | Powys CHC |

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| ARA/22/028 | <p>WELCOME AND APOLOGIES</p> <p>The Committee Chair welcomed everyone to the meeting and confirmed that a quorum was present. Apologies for absence were noted as recorded above.</p> |
| ARA/22/029 | <p>DECLARATIONS OF INTEREST</p> <p>The Committee Chair INVITED Members to declare any interests in relation to the items on the Committee agenda.</p> <p>None were declared.</p> |
| ARA/22/030 | <p>MINUTES OF THE MEETINGS HELD 26 APRIL AND 17 MAY 2022</p> <p>The minutes of the meetings held on 26 April and 17 May 2022 were RECEIVED and AGREED as being a true and accurate record.</p> |
| ARA/22/031 | <p>MATTERS ARISING FROM PREVIOUS MEETINGS</p> <p>The following matters arising were discussed:</p> <p>26th April 2022 (ARA/22/009): It was queried whether the Committee felt that that Recommendation 2.1 as discussed by the Committee should be included within the Committee Action Log. The Board Secretary confirmed that due to the nature of the recommendation monitoring would be undertaken through future capital schemes within the Powys programme.</p> <p>The Committee Chair queried whether an In-Committee session on cyber security would be beneficial for Members. The Director of Finance and IT reported that a session was under development for a forthcoming Board Development meeting. The Interim Board Secretary confirmed that consideration would be given to a separate in-Committee session for Committee Members to focus on assurances required.</p> |
| ARA/22/032 | <p>COMMITTEE ACTION LOG</p> <p>The Committee received and NOTED the action log.</p> |
| ARA/22/033 | <p>ANNUAL REPORT AND ACCOUNTS 2021-22, INCLUDING LETTER OF REPRESENTATION</p> <p>The Director of Finance and IT and Interim Board Secretary presented the Annual Report and Accounts 2021-22. It was noted that the draft sections had been reviewed by the Executive Committee, Delivery and Performance Committee and Audit, Risk and Assurance Committee and that the Annual Accounts had been audited by Audit Wales. The Committee was requested to consider the Annual Report and Accounts for recommendation for submission to the Board for formal approval on 14th June 2022 and submitted to Welsh Government on 15th June 2022, in-line with HM Treasury Requirements.</p> |

Independent Members sought assurance by asking the following questions:
It was noted that timescales were tight for providing feedback at this stage and it was queried whether this was an extraordinary circumstance for 2021-22?

The Interim Board Secretary noted that due to the nature of the deadline and the requirements of the audit of the financial statements' timescales were always compressed, it was however highlighted that this is mitigated by the robust scrutiny of the draft components of the report undertaken by the PTHB Committees to seek to ensure that any amendments of the final version are minor.

The Committee confirmed that a RECOMMENDATION would be made for formal approval of the Annual Report and Accounts 2021-22, including the letter of representation at the PTHB Board on 14th June 2022. Committee Members and those in attendance wished to express their thanks to the External Audit team for the ongoing support with the financial audit work undertaken on the accounts.

ARA/22/034

APPLICATION OF SINGLE TENDER WAIVER

The Director of Finance and IT presented the following 5 applications for single tender waiver received during the period of 1 April 2022 and 31 May 2022:

| 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 |
|-------------------------|--|-----------------------------|---------------------------------------|---|------------------|----------|--------------------|----------------------------|--------------|
| POW2122028 | Quote | Network of Staff Supporters | Counselling Services for Staff | Extension of previously tendered contract as interim measure while formal procurement is undertaken | 13/04/2022 | £14,027 | 2 Months | Prospective | A1 |
| POW2122027 | Tender | Kaleidoscope | Substance Misuse Prescribing Services | Extension of existing contract whilst procurement process undertaken | 13/04/2022 | £133,595 | 5 months | Prospective | A2 |

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| | POW2122025 | Quote | My Dentist | Continuation of Emergency Out of Hours Dental Service for Newtown and Llandrindod areas | Extension of existing contract whilst procurement process undertaken | 06/04/2022 | £19,153 | 3 months | Prospective | A3 |
| | POW2122022 | Tender | Brecon Mind | 9 month Continuation out of hours service for Mental Health for South Powys | Sole Supplier continuation of previous pilot funded by PTHB | 06/04/2022 | £47,570 | 9 Months | Prospective | A4 |
| | POW2122021 | Tender | Ponthafren Association | 9 month Continuation out of hours service for Mental Health for North Powys | Sole Supplier continuation of previous pilot not funded by PTHB | 06/04/2022 | £18,319 | 9 Months | Prospective | A5 |

Independent Members sought assurance by asking the following questions:

Was a process in place to monitor whether departments were taking forward slippage from procurement?

The Director of Finance and IT agreed that this requires attention and suggested that there was a timely opportunity to establish this process. It was noted that the annual statistics had previously been considered by the Committee which confirmed that numbers were low in comparison to Wales. However, this matter would be followed up. **Action: Director of Finance and IT.**

ARA/22/035

HEAD OF INTERNAL AUDIT OPINION 2021-22

The Head of Internal Audit presented the item and noted that in accordance with the Public Sector Internal Audit Standards (PSIAS), the Head of Internal Audit (HIA) was required to provide an annual opinion, based upon, and limited to the work performed on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. This is achieved through delivery of an audit plan that has been focused on key strategic and operational risk areas and known improvement opportunities. The 2021-22 plan was formally approved by the Audit, Risk and Assurance Committee at its March 2021 meeting.

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| | <p>It was noted that the Draft HIA Opinion had been presented to the Committee in May 2022 and drew attention to a number of reports which remained in draft at the time of reporting.</p> <p>The Committee NOTED the 'Reasonable Assurance' rating provided for 2021-22 and the Chief Executive and Committee Chair expressed their thanks to the Head of Internal Audit and internal audit colleagues for their ongoing work and support. The Committee CONSIDERED and NOTED the Head of Internal Audit Opinion and Annual Report 2021-22.</p> |
| <p>ARA/22/036</p> | <p>INTERNAL AUDIT REPORTS</p> <p><i>a) Concerns Tracking and Monitoring (Substantial Assurance)</i> The Committee received the report and noted the two matters arising presented. The Chief Executive requested that the report be reported to the Patient Experience, Quality and Safety Committee for information. Independent Members sought assurance by asking the following questions:</p> <p><i>What plans were in place for the improvement of Records Management?</i> It was confirmed that a Records Management Improvement Plan had been developed and that a position update was due to be reported to both the Executive Committee and Delivery and Performance Committee.</p> <p><i>b) Recommendation Tracking and Follow-Up (Substantial Assurance)</i> The Committee received the report which had undertaken a review of the audit recommendation tracking process and had undertaken a follow up on two limited assurance reports from 2021-22 which had confirmed the implementation of recommendations made. The Committee welcomed the assurance provided by the report.</p> <p><i>c) Occupational Health Services (Limited Assurance)</i> The Committee received the report and noted the Limited Assurance Rating. Independent Members sought assurance by asking the following questions:</p> <p><i>The assurance summary provided a rating of 'reasonable' in relation to resources whereas it appeared that most issues were in relation to resources, what was the reason for this?</i> It was noted that a reasonable rating had been provided to recognise that a business case was in place whilst still recognising the issues facing the service. The Head of Internal Audit confirmed that the rating sought to provide balance with what the health board is already aware of and is making steps to address at the time of the audit.</p> <p><i>How would the health board follow up progress against this report?</i> The Interim Board Secretary confirmed that the Committee would receive regular updates against progress through the Audit Recommendation Tracker reports received by the Committee at each meeting. It was also</p> |

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| | <p>noted that further consideration would be given to the mechanisms by which performance reporting is provided to Committees. The Head of Internal Audit also noted that a follow-up review would be undertaken by Internal Audit in due course due to the Limited Assurance rating given to the review.</p> <p>The Committee received and NOTED the Internal Audit Reports.</p> |
| ARA/22/037 | <p>EXTERNAL AUDIT REPORTS <i>External Audit of Financial Statements 2021-22</i></p> <p>The Director of Finance and IT introduced the item and welcomed Gareth Lucy, Audit Manager for the Annual Accounts. It was noted that Audit Wales had provided an audit opinion on the accounts in relation to two separate matters: the truth and fairness of income and expenditure, which had been found to be satisfactory and the regularity of expenditure, for which a 'qualified' opinion has been provided with regard to the regularity of 'Scheme Pays' expenditure for clinicians.</p> <p>The Audit Manager assured the Committee that the qualification was in respect of a Ministerial Direction issued in December 2019, therefore any NHS organisation in Wales with the expenditure within their accounts will receive a qualified opinion. It was also reported that there had been an uncorrected misstatement in relation to indexation of land and building assets (£999,000), this was due to an updated All Wales indexation from the District Valuer in late March 2022 for which the accounts had not been updated. It was again noted that this was an issue across Wales.</p> <p>The Committee welcomed the report and expressed their thanks the Audit Wales colleagues for their support and contribution.</p> |
| ARA/22/038 | <p>COMMITTEE WORK PROGRAMME The Committee received and NOTED the Committee Work Programme.</p> |
| ARA/22/039 | <p>ITEMS TO BE BROUGHT TO THE ATTENTION OF THE BOARD AND OTHER COMMITTEES There were no items to be brought the attention of the Board and other Committees.</p> |
| ARA/22/040 | <p>ANY OTHER URGENT BUSINESS No other urgent business was declared.</p> |
| ARA/22/041 | <p>DATE OF NEXT MEETING 18 July 2022, 10:00 am, Microsoft Teams</p> |