



**GIG**  
CYMRU  
**NHS**  
WALES

Bwrdd Iechyd  
Addysgu Powys  
Powys Teaching  
Health Board

## **AUDIT, RISK & ASSURANCE COMMITTEE**

**CONFIRMED**

### **MINUTES OF THE MEETING HELD ON TUESDAY 15 NOVEMBER 2022 VIA MICROSOFT TEAMS**

#### **Present:**

Mark Taylor	Independent Member – Capital and Estates (Committee Chair)
Rhobert Lewis	Independent Member – General
Ronnie Alexander	Independent Member – General
Tony Thomas	Independent Member – Finance

#### **In Attendance:**

Debra Wood-Lawson	Director of Workforce and OD
Pete Hopgood	Director of Finance and IT
Ian Virgil	Head of Internal Audit
Sarah Pritchard	Head of Financial services
Bethan Hopkins	External Audit
Jayne Gibbon	Internal Audit
Melanie Goodman	Internal Audit
James Quance	Interim Board Secretary

#### **Committee Support**

Stella Parry	Interim Corporate Governance Manager
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#### **Apologies**

None

ARA/22/077	<p><b>WELCOME AND APOLOGIES</b></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/22/078	<p><b>DECLARATIONS OF INTEREST</b></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/22/079	<p><b>MINUTES OF THE MEETINGS HELD 27 SEPTEMBER 2022</b></p> <p>The minutes of the meetings held on 27 September 2022 were RECEIVED and AGREED as being a true and accurate record.</p>
ARA/22/080	<p><b>MATTERS ARISING FROM PREVIOUS MEETINGS</b></p> <p>No matters arising were discussed.</p>
ARA/22/081	<p><b>COMMITTEE ACTION LOG</b></p> <p>The Committee received and NOTED the action log. The following actions were discussed by the Committee:</p> <ul style="list-style-type: none"> <li>• ARA/22/034 (Register of Contracts), ARA/22/047 (Inclusion of maintenance costs in contracts) and ARA/22/048 (Losses and Special Payments trend analysis): The Director of Finance and IT reported that updates in relation to these actions would be provided to the Committee on 31 January 2023.</li> <li>• ARA/22/069 (IT Infrastructure and Asset Management Report (Limited Assurance)): It was confirmed that a paper was due to be provided to Delivery and Performance Committee in February 2023.</li> </ul>
ARA/22/082	<p><b>APPLICATION OF SINGLE TENDER WAIVER</b></p> <p>The Head of Financial Services presented the following application for three single tender waivers received during the period of 1 September 2022 and 31 October 2022:</p>

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
POW2223031	Quote	Getronics	Maintenance of Telephone System Switches	Continuation of Arrangements/Value for Money	15/09/2022	£24,600	1 year	Part - Retrospective	A1
POW2223032	TENDER	Adcuris Consulting	Demand Capacity and Financial Modelling In Support of service change from Strategic Outline Case to Outline Business Case	Continuation of work linked to previous undertaking and timescale (Links to STW POW2122018)	22/09/2022	£36,000	1 year	Prospective	A2
POW2223034	TENDER	British Pregnancy Advisory Service (BPAS)	Provision of Termination of pregnancy and Vasectomy for Powys Patients	Absence of viable NHS Supplier. Continuation of arrangement until national framework for these services is in place which is anticipated to be Autumn 2021.	26/10/2022	£153,090	12 Months	Part - Retrospective	A3

Independent Members sought assurance by asking the following questions:  
*POW2223031 had been considered 7 months into the financial year, why had it not been considered sooner?*

The Director of Finance and IT confirmed that the STW was somewhat retrospective due to a delay in procurement process, it was highlighted that this matter would be addressed in response to action ARA/22/034.

*In relation to POW2223031 how many times had the £700 day rate been utilised to date?*

The Head of Financial Services noted that there had been no reports that the day rate had been utilised, though this would be checked and confirmed outside of the meeting.

*Was Director of Finance and IT assured that procurement process in relation to POW2223032 had been proper and correct given the termination of the first contract resulting in appointment of the second contractor, resulting in an increased cost of 30%?*

The Director of Finance and IT reported that NWSSP Procurement Services had supported the process and it was confirmed that this query would be raised with procurement colleagues as part of the wider piece of work underway in relation to action ARA/22/047.

	The Committee RATIFIED the use of Single Tender Waiver in respect of 1 item during the period of 1 September 2022 and 31 October 2022.
ARA/22/083	<p><b>INTERNAL AUDIT PROGRESS REPORT 2022-23</b></p> <p>The Head of Internal Audit presented the item which provided an overview of the progress against the 2022-23 Internal Audit Plan to date. It was noted that the plan for 2022/2023 was agreed by the Audit, Risk and Assurance Committee in April 2022 and is delivered as part of the arrangements established. The following matters were highlighted for the Committee's attention:</p> <ul style="list-style-type: none"> <li>• Since the last meeting of the Committee four audits had been finalised, with a further two at the draft report stage. Six audits were at work in progress with a further six at planning stage.</li> <li>• A Draft Limited Assurance Report in relation to Welsh Language Standards had been considered by the health board's Executive Committee on 9 November 2022, it had been agreed that further time was required to develop an appropriate Management Response, therefore this item would be reported to the Audit, Risk and Assurance Committee on 31 January 2023.</li> </ul> <p>The Committee DISCUSSED and NOTED the update and AGREED the proposed changes to the 2022-23 Internal Audit Plan.</p>
ARA/22/084	<p><b>INTERNAL AUDIT REPORTS</b></p> <p><i>a) Control of Contractors: Follow Up (Substantial Assurance )</i></p> <p>The Committee received the report which sought to determine the status of agreed high and medium priority audit recommendations arising from the 2021/22 Control of Contractors audit. The 2021/22 report determined a limited assurance rating, with a number of significant matters identified, placing the health board at risk of potential Health and Safety Executive action in the event of adverse incidents occurring on site. Agreed actions from the prior review had largely been implemented, with 6 of the 7 recommendations now closed (including 3 high priority matters). Only one matter remained partially outstanding, in relation to site-specific signing in protocols. Recognising the controls already implemented by the Estates team, the recommendation priority had been lowered from high to medium; with the remaining actions, due to their nature, to be undertaken in conjunction with the wider health board.</p> <p><i>b) Staff Rostering (Reasonable Assurance)</i></p> <p>The Committee received the report which provided an overview of the controls and processes in place for the planning and management of staff rosters focusing on nursing rosters. The report provided a rating of Reasonable Assurance with matters arising requiring attention in relation to the Staff Rostering Policy and the HealthRoster system.</p>

Independent Members sought assurance by asking the following questions:  
*What were the financial implications of the usage of bank staff to fulfil rosters?*

The Director of Finance and IT confirmed that effective rostering and the associated reduction in gaps was directly related to bank and agency usage, which was a key area of financial pressure for the health board. The Director of Workforce and OD confirmed that improvement work was underway in relation to ward establishments, which would be reported to a forthcoming meeting of the appropriate Board Committee.

*c) Decarbonisation (Not Rated)*

The Committee received the report, and it was noted that due to implementation plans having not been sufficiently developed to allow meaningful testing and to provide an assurance rating to respective Audit Committees across Wales the decision had been taken to affirm common themes within the report, to provide an overview of the overarching position across NHS Wales. An action plan of common All Wales themes was appended to the report.

Independent Members sought assurance by asking the following questions:  
*It was suggested that the auditing of plans would be useful to assist health board Committees to scrutinise performance in this area, was there an estimation of when a full, non-advisory audit of plans would take place on an individual health board basis?*

The Head of Internal Audit suggested that it was the intention to include decarbonisation as a regular annual audit within future Internal Audit Plans.

*d) Security Services (Reasonable Assurance)*

The Committee received the report which undertook an assessment of the structure and effectiveness of Security Services within the health board. The report provided a rating of Reasonable Assurance, with matters arising requiring attention in relation to the Security Policy, Security Plans and Governance arrangements.

Independent Members sought assurance by asking the following questions:  
*Which health board Committee provided oversight in relation to health and safety matters?*

The Board Secretary confirmed that matters in relation to health and safety would initially be considered by the Delivery and Performance Committee.

*Had consideration been given to the inclusion of a briefing on security as part of the health board induction, as is in place for health and safety and fire?*

	<p>The Director of Finance and IT and Director of Workforce and OD confirmed that consideration would be given to the inclusion of a security briefing within the health board's induction.</p> <p>The Committee received and NOTED the Internal Audit Reports.</p>
ARA/22/085	<p><b>EXTERNAL AUDIT PROGRESS REPORT 2022-23</b></p> <p>External Audit presented the item which provided an update on current and planned Audit Wales work. Information was also provided on the Auditor General's wider programme of national value-for-money examinations and the work of the Good Practice Exchange (GPX). The Committee NOTED the following audits currently underway:</p> <ul style="list-style-type: none"> <li>• Orthopaedic services – follow-up;</li> <li>• Renewal Programme;</li> <li>• Review of Unscheduled Care;</li> <li>• Structured Assessment; and;</li> <li>• Primary Care Services - follow-up review</li> </ul> <p>Independent Members sought assurance by asking the following questions: <i>Would the report on Unscheduled Care include the potential impact of poor performance and the consequences on the wider system?</i></p> <p>It was confirmed that the scope of the report was extensive and would include elements such as patient flows into community settings and social care, access to services via GPs, 111 and Emergency Departments, and National and Welsh Government Policy and Guidance. The intention of the report was to provide insight into the key factors causing the wide ranging system issues being experienced by the NHS.</p> <p><i>Would there be an opportunity for Independent Members to be involved in the Primary Care Services follow-up review?</i></p> <p>It was confirmed that this would be checked with the Head of External Audit and fed back to members.</p> <p>The Committee DISCUSSED and NOTED the Report and welcomed the increased usage of interactive datasets.</p>
ARA/22/086	<p><b>EXTERNAL AUDIT REPORTS:</b></p> <p>The Committee received and NOTED the following Audit Wales reports for information:</p> <ul style="list-style-type: none"> <li>a) <i>National Fraud Initiative in Wales 2020-21</i></li> <li>b) <i>Equality Impact Assessments: more than a tick box exercise?</i></li> </ul>
ARA/22/087	<p><b>ANNUAL GOVERNANCE PROGRAMME REPORTING</b></p> <p>The Board Secretary presented the item which provided an update on progress against the Annual Governance Programme, the update provided as of Q2 highlighted the following progress made since the last report:</p> <ul style="list-style-type: none"> <li>• development of induction for Independent Members;</li> <li>• filling of all board vacancies;</li> </ul>

	<ul style="list-style-type: none"> <li>• increased board development time focussed on key challenges at an early stage; and</li> <li>• review and refresh of the risk management framework and risk appetite statement.</li> </ul> <p>The Committee DISCUSSED and NOTED the update.</p>
ARA/22/088	<p><b>AUDIT RECOMMENDATION TRACKING</b></p> <p>The Board Secretary presented the item which provided 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 30 September 2022. The Head of Internal Audit noted that a follow up review in relation to Audit Recommendation Tracking was due to be undertaken in Q4.</p> <p>The Committee DISCUSSED and NOTED the Audit Recommendations Tracking Report.</p>
ARA/22/089	<p><b>WELSH HEALTH CIRCULAR TRACKING</b></p> <p>The Board Secretary presented the item which provided an overview of the position relating to the implementation of Welsh Health Circulars (WHCs). It was highlighted that it had been identified that not all WHCs were fully applicable to the services provided by the health board and had therefore been classified as partially complete pending further review by the Medical Director.</p> <p>The Committee DISCUSSED and NOTED the Welsh Health Circular Tracking Report.</p>
ARA/22/090	<p><b>RISK MANAGEMENT FRAMEWORK</b></p> <p>The Board Secretary presented the item and highlighted that the Risk Management Framework and Risk Appetite Statement was subject to annual review in order to ensure it fully reflected arrangements for risk management processes across the organisation and remained fit for purpose. Following review, no fundamental changes to the Risk Management Framework were proposed. The proposed revised Risk Appetite Statement sought to recognise the changing nature of the external environment that the health board operates in and the need for greater clarity and granularity to aid decision making and the treatment of risk.</p> <p>Independent Members sought assurance by asking the following questions:  <i>What was the practical application of the Risk Appetite Statement within the organisation?</i></p> <p>The Board Secretary highlighted that the Risk Appetite Statement sought to provide guidance on the Board’s appetite for risk to be utilised when planning, allocating resources and making strategic decisions. The Head of Internal Audit agreed and recognised the strategic significance of the statement.</p>

	<p>The Committee DISCUSSED the Risk Management Framework and Risk Appetite Statement and NOTED that the revised documents were due to be presented to the Board on 30 November 2022.</p>
ARA/22/091	<p><b>COMMUNITY HEALTH COUNCIL TRANSFER UPDATE</b></p> <p>The Director of Workforce and OD presented the item which provided an update on the arrangements and progress on the transfer of the Community Health Councils Wales (CHC) function, staff and resources from Powys Teaching Health Board to a newly created Welsh Government Sponsored Body on 1<sup>st</sup> April 2023.</p> <p>It was reported that the process would be undertaken via a "TUPE style exercise," following the principals of the Transfer of Undertaking (Protection of Employment) Regulation 2006 as amended by the Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014 This is explicitly cited within Section 401 of the Health and Social Care (Quality and Engagement) (Wales) Act Explanatory Memorandum, June 2020. It was proposed that circa 90 staff employed in the CHCs (Community Health Councils) will transfer to the CVB on April 1<sup>st</sup> 2023. At the time of the meeting the CHC staff were employed by health board and work under the direction of the CHC Chief Officers, CHC Chief Executive and CHC Boards. The proposed change would transfer the employment of staff and resources to the CVB.</p> <p>The Committee DISCUSSED and NOTED Community Health Council Transfer Update.</p>
ARA/22/092	<p><b>REVIEW OF COMMITTEE PROGRAMME OF BUSINESS</b></p> <p>The Committee RECEIVED and NOTED the Committee programme of business. It was noted that a number of Internal Audit Reports were due to be presented to the Committee in January, therefore it was AGREED that the reporting on Audit Recommendations would next return to the Committee in March 2023 to enable a greater allocation of time to review the anticipated audit reports.</p>
ARA/22/093	<p><b>ITEMS TO BE BROUGHT TO THE ATTENTION OF THE BOARD AND OTHER COMMITTEES</b></p> <p>There were no matters to be brought to the attention of the Board and other Committees.</p>
ARA/22/094	<p><b>ANY OTHER URGENT BUSINESS</b></p> <p>No other urgent business was declared. It was noted that the Chair, with advice from the Board Secretary, had determined that there were items for consideration by the Committee which included confidential or commercially sensitive information which was not in the public interest to discuss in an open meeting. An In-Committee meeting of the Audit, Risk</p>



	and Assurance Committee was due to be held at 12pm for consideration of these items.
ARA/22/095	<p><b>AUDIT, RISK AND ASSURANCE IN-COMMITTEE</b></p> <p>A meeting of the Committee was held in closed session in which consideration was given to digital infrastructure and cyber security, and the Audit Wales report on Learning from Cyber Attacks.</p> <p>The Committee DISCUSSED and NOTED the items and AGREED the following next steps:</p> <ul style="list-style-type: none"> <li>• A Board-level overview report would be developed for sharing with the wider Board at a future Board Briefing or Board In-Committee;</li> <li>• A timescale for reassessment would be developed and agreed;</li> <li>• An assessment would be undertaken to determine the essential/minimum requirements in relation to cyber security to inform the considered allocation of the resources for 2023-24; and</li> <li>• Consideration would given to the potential for partnership working with other public sector organisations in Wales.</li> </ul>
ARA/22/096	<p><b>DATE OF NEXT MEETING</b></p> <p>31 January 2022, 10:00 am, Microsoft Teams</p>