



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

Bwrdd Iechyd  
Addysgu Powys  
Powys Teaching  
Health Board

**AUDIT, RISK & ASSURANCE COMMITTEE  
CONFIRMED  
MINUTES OF THE MEETING HELD ON MONDAY 18 JULY 2022 VIA  
MICROSOFT TEAMS MEETING**

**Present:**

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

**In Attendance:**

Pete Hopgood	Director of Finance and IT
Paula Walters	Associate Director of Corporate Business
Ian Virgil	Head of Internal Audit
Jayne Gibbon	Internal Audit
Melanie Goodman	Internal Audit
Bethan Hopkins	External Audit
Matthew Evans	Head of Local Counter Fraud Service
Kirsty James	Local Counter Fraud
Sarah Pritchard	Head of Financial services

**Committee Support**

Stella Parry	Interim Corporate Governance Manager
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**Apologies**

Carol Shillabeer	Chief Executive
James Quance	Board Secretary

ARA/22/042	<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</p>
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	above, it was noted that Paula Walters, Associate Director of Corporate Business was in attendance on behalf of the Board Secretary.																				
ARA/22/043	<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/22/044	<p><b>MINUTES OF THE MEETINGS HELD 13 JUNE 2022</b></p> <p>The minutes of the meetings held on 13 June 2022 were RECEIVED and AGREED as being a true and accurate record.</p>																				
ARA/22/045	<p><b>MATTERS ARISING FROM PREVIOUS MEETINGS</b></p> <p>The following matters arising were discussed:</p> <p>ARA/22/034: It was queried whether the Single Tender Waiver (STW) considered in relation to Brecon Mind (POW2122022) was a further extension to a STW previously considered by the Committee. The Head of Financial Services confirmed that the application for STW was a further extension and reported that a formal procurement process was underway.</p>																				
ARA/22/046	<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: The Director of Finance and IT suggested that the wording of the action required amendment. It was highlighted that the action was in relation to the development of a 'Register of Contracts' linked to the Single Tender Waiver process. It was AGREED that this would be updated in readiness for the next meeting.</li> </ul>																				
ARA/22/047	<p><b>APPLICATION OF SINGLE TENDER WAIVER</b></p> <p>The Director of Finance and IT presented the following application for single tender waiver received during the period of 1 June 2022 and 30 June 2022:</p> <table border="1" data-bbox="300 1637 1541 1926"> <thead> <tr> <th>Single Tender Reference</th> <th>Request to waive QUOTE or TENDER threshold</th> <th>Name of Supplier</th> <th>Item</th> <th>Reason for Waiver</th> <th>Date of Approval</th> <th>Value £</th> <th>Length of Contract</th> <th>Prospective/ Retrospective</th> <th>Appendix Ref</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	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										
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												

	POW2223029*	Tender	Medilogik	Maintenance of Endoscopy Reporting System	Sole Supplier	16/06/2022	£70,536	4 years	Prospective	A1
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\*Please note due to an administrative error within Procurement the Single Tender Waiver register log for 2022/23 commenced on STW2223029 therefore this is the first Single Tender Waiver for 2022-23 not the 29th

Independent Members sought assurance by asking the following questions:

*From a procurement perspective, was there a reason the maintenance costs were not included in the original procurement costs? It was suggested that this would provide a more accurate upfront position of the cost of the contract.*

The Director of Finance and IT agreed that this was an area of potential improvement for the health board, and it was agreed that the Head of Financial Services would work with procurement on a potential approach.

**Action: Director of Finance and IT.**

The Committee RATIFIED the use of Single Tender Waiver in respect of 1 item during the period of 1 June 2022 and 30 June 2022

ARA/22/048

**LOSSES AND SPECIAL PAYMENTS ANNUAL REPORT 2021-22**

The Head of Financial Services presented the item and highlighted that an interim report had been considered by the Committee on 16 November 2021. It was reported that losses and special payments were items that the Welsh Government would not have contemplated when they passed legislation or agreed funds for the NHS; such payments also included any ex gratia payments made by the health board. By their nature they are items which should be avoidable and should not arise. Therefore, they are subject to special control procedures and are included within a separate note within the health board's annual accounts. It was noted that these payments fell into four key areas:

- Clinical Negligence and Personal Injury;

	No. of payments/Receipts	No. of cases	£
Clinical Negligence /Personal Injury (Payment)	31	9	122,307.05
<b>Total</b>	<b>31</b>	<b>9</b>	<b>122,307.05</b>
<b>Receipts from Welsh Risk Pool</b>	<b>1</b>	<b>1</b>	<b>209,363.40</b>
<b>Total</b>	<b>1</b>	<b>1</b>	<b>209,363.40</b>

- Redress (Putting Things Right);

	No. of payments/receipts	No. of cases	£
Redress Payments	36	14	18,514.13
<b>Total</b>	<b>36</b>	<b>14</b>	<b>18,514.13</b>
Redress Receipts	5	5	40,355.80
<b>Total</b>	<b>5</b>	<b>5</b>	<b>40,355.80</b>

- GP Indemnity; and

	No. of payments/receipts	No. of cases	£
GP Indemnity	5	2	17,324.00
<b>Total</b>	<b>5</b>	<b>2</b>	<b>17,324.00</b>

- Other Special Payments

	No. of payments/receipts	No. of cases	£
Other Special Payments	6	6	38,388.43
<b>Total</b>	<b>6</b>	<b>6</b>	<b>38,388.43</b>

Independent Members sought assurance by asking the following questions:

*The report provided did not include any analysis or benchmarking, therefore what assurances could Committee Members take from the report?*

The Head of Financial Services noted that the Executive Committee and Patient Experience, Quality and Safety Committee had considered the cases individually and suggested that a paper could be made available for a forthcoming meeting of the Committee which provided a trend analysis of payments over the last few years. **Action: Director of Finance and IT** Benchmarking data from the Welsh Risk Pool would be made available for next Interim Report, due November 2022.

	<p>The Committee NOTED the annual report for 2021/22 for losses and special payments and NOTED that the payments been approved in line with the Scheme of Delegation on losses and special payments within the health board.</p>
<p>ARA/22/049</p>	<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 this was the first report of 2022-23 and the following matters where highlighted for the Committees attention:</p> <ul style="list-style-type: none"> <li>• two Internal Audit Reports had been finalised since the last meeting of the Committee; both were from the 2021-22 Plan and had been rated 'Reasonable Assurance'. These had been included within the Head of Internal Audit Opinion for 2021-22 however were not able to be published in readiness for the 13 June 2022 Committee;</li> <li>• three audits from the 2022-23 plan were at work in progress stage, and 8 were at planning stage;</li> <li>• the plan that was agreed by the Committee in April 2022 included details of the proposed quarters in which each of the identified audits would be undertaken. Following a more detailed review of the availability of Internal Audit resources and discussions with relevant lead contacts, adjustments have since been proposed to the planned timings for the following audits: <ul style="list-style-type: none"> <li>○ North Powys Wellbeing Programme – Move from Q1 to Q2</li> <li>○ Review of a service area within the PC&amp;MH Directorate – Move from Q1 to Q2</li> <li>○ Staff Rostering – Move from Q3 to Q2</li> <li>○ Temporary Staffing Department – Move from Q1 to Q3</li> <li>○ Professional Governance Structure – Move from Q4 to Q3</li> </ul> </li> </ul> <p>It had also been agreed to add an audit of Site Co-ordination. This audit was deferred from the 2021/22 plan after the 2022/23 plan had been agreed by the Committee and has therefore been added to the current plan.</p> <p>The Committee DISCUSSED and NOTED the update and AGREED the proposed changes to the 2022-23 Internal Audit Plan.</p>
<p>ARA/22/050</p>	<p><b>INTERNAL AUDIT REPORTS</b></p> <p><i>a) Risk Management and Assurance (Reasonable Assurance)</i></p> <p>The Committee received the report which sought to evaluate the adequacy of the systems and controls in place within the Health Board in relation to Risk Management and Assurance. It was noted that the report had received 'Reasonable Assurance' with further matters arising concerning the areas for refinement and further development noted within Appendix A of the Report.</p>

	<p><i>b) Breathe Well Programme (Reasonable Assurance)</i></p> <p>The Committee received the report which assessed the adequacy of the systems and controls in place for the 'Breathe Well Programme'. It was noted that the report had received 'Reasonable Assurance' with further matters arising concerning the areas for refinement and further development noted within Appendix A of the Report.</p> <p>The Committee received and NOTED the Internal Audit Reports.</p>
ARA/22/051	<p><b>EXTERNAL AUDIT PROGRESS REPORT 2022-23</b></p> <p>External Audit presented the item which provided an update in relation to current and planned audit work, including completed work presented to the Audit Committee (Exhibit 2); work that was currently underway (Exhibit 3); and planned work not yet started or revised (Exhibit 4). An update was also provided in relation to the Auditor General's wider programme of national value-for-money examinations and the work of our Good Practice Exchange (GPX).</p> <p>The Committee DISCUSSED and NOTED the Report.</p>
ARA/22/052	<p><b>COUNTER FRAUD UPDATE</b></p> <p>The Head of Local Counter Fraud Services presented the item which provided an update on key areas of work undertaken by the Local Counter Fraud Specialists during 2022/23. An overview was provided of the work undertaken in relation to:</p> <ul style="list-style-type: none"> <li>• Strategic Governance;</li> <li>• Inform and Evolve;</li> <li>• Prevent and Deter; and</li> <li>• Hold to Account</li> </ul> <p>Independent Members sought assurance by asking the following questions:</p> <p><i>How was data shared between health boards in Wales and was there separate mechanism for trusts?</i></p> <p>The Head of Local Counter Fraud Services noted that there was an Intelligence Function Unit within the Counter Fraud Authority and a dissemination process within Counter Fraud Services Wales however it was noted that feedback via these mechanisms was less agile than the intelligence shared between the Local Counter Fraud Team which provided services for Powys, Cwm Taf Morgannwg University Health Board and Swansea Bay University Health Board. It was noted that informational sharing protocols were also in place in line with Information Governance legislation.</p> <p><i>Where larger sums of money were found owing to the health board, would these be recovered in a singular payment or via repayment agreement?</i></p> <p>It was reported that case by case assessment were undertaken based on funds available to make repayments. It was confirmed that payment plans</p>

	<p>were utilised should there be insufficient funding to recover funds in a single payment. However, it was noted that to meet the conditions of a conditional caution funds must be repaid within 12 months. The Director of Finance and IT also noted that when the invoice is made the amount is credited in the health board's accounts.</p> <p>The Committee DISCUSSED and NOTED the Report</p>
ARA/22/053	<p><b>REGISTER OF INTERESTS</b></p> <p>The Associate Director of Corporate Business presented the item which provided an updated position for the Register of Interests for Independent Members and Executive Directors as of 24 June 2022 and provided an overview of the improvements underway in relation to the mechanisms for recording and reporting declarations of interest.</p> <p>The Committee DISCUSSED and NOTED the Report.</p>
ARA/22/054	<p><b>ANNUAL GOVERNANCE PROGRAMME REPORTING</b></p> <p>The Associate Director of Corporate Business presented the item which provided an updated in relation to the progress made against the Annual Governance Programme, it was highlighted that work in relation to Policies Management had gathered momentum as a result of the implementation of SharePoint.</p> <p>The Committee DISCUSSED and NOTED the Report.</p>
ARA/22/055	<p><b>AUDIT RECOMMENDATION TRACKING</b></p> <p>The Associate Director of Corporate Business presented the item which provided an update in relation to the implementation of Audit Recommendations, arising from reviews undertaken by Internal Audit, External Audit (Audit Wales) and Local Counter Fraud Services. It was noted that all recommendations arising from 2018/19 had now been implemented and it was highlighted that the next update to the Committee would incorporate final deadlines for those recommendations affected by the COVID-19 pandemic (2017-2020).</p> <p>Committee Members welcomed the report and highlighted the importance of recommendation owners providing updates in advance when deadlines are affected by system pressures. Independent Members sought assurance by asking the following questions:</p> <p><i>When was progress expected in relation to the implementation of recommendations arising from the No Assurance, Records Management Audit?</i></p>

	<p>The Director of Finance and IT highlighted that the Records Management Improvement Plan, implemented as a result of the audit constituted a large scale piece of work for the health board. Digital investment funding had been used to undertake a scoping exercise and a business case had been developed to address the issues in relation to records management over a number of years, due to the scope of the work involved. It was confirmed that the area remained an area of risk for the health board. However, the work underway was a key area of focus. It was agreed that the Director of Finance and IT would circulate a paper recently discussed by the Delivery and Performance Committee to members post Committee.</p> <p>The Committee DISCUSSED and NOTED the Report.</p>
ARA/22/056	<p><b>WELSH HEALTH CIRCULAR TRACKING</b></p> <p>The Associate Director of Corporate Business presented the item which provided an overview of the position relating to the implementation of Welsh Health Circulars (WHCs) as of 31 May 2022.</p> <p>The Committee DISCUSSED and NOTED the Report.</p>
ARA/22/057	<p><b>COMMITTEE WORK PROGRAMME</b></p> <p>The Committee received and NOTED the Committee Work Programme.</p>
ARA/22/058	<p><b>ITEMS TO BE BROUGHT TO THE ATTENTION OF THE BOARD AND OTHER COMMITTEES</b></p> <p>There were no items to be brought the attention of the Board and other Committees.</p>
ARA/22/059	<p><b>ANY OTHER URGENT BUSINESS</b></p> <p>No other urgent business was declared.</p>
ARA/22/060	<p><b>DATE OF NEXT MEETING</b></p> <p>27 September 2022, 10:00 am, Microsoft Teams</p>