

POWYS TEACHING HEALTH BOARD

SUMMARY OF THE AUDIT, RISK & ASSURANCE COMMITTEE MEETING HELD ON MONDAY 18 MAY 2020

Committee Meetings of Powys Teaching Health Board are meetings held in public under the Public Bodies (Admission to Meetings) Act 1960. However, the COVID-19 Public Health emergency and the associated instruction to Stay At Home has meant that Board resolved to hold the Audit, Risk & Assurance Committee on 18 May 2020 virtually and in private with a summary of the proceedings made available within a week of the meeting.

Present:

Tony Thomas	Independent Member – Finance (Committee Chair)
Mark Taylor	Independent Member – Capital and Estates
Ian Phillips	Independent Member – ICT
Mel Davies	Vice Chair

In Attendance:

Pete Hopgood	Director of Finance, Information and IT
Gail Turner-Radcliffe	External Audit (Grant Thornton)
Professor Vivienne Harpwood	PTHB Chair (left the meeting at 12.30 pm)
Barrie Morris	External Audit (Grant Thornton)
Sarah Pritchard	Head of Financial Services
Felicity Quance	Internal Audit
Osian Lloyd	Deputy Head of Internal Audit
Helen Higgs	Head of Internal Audit
Rani Mallison	Board Secretary
Carol Shillabeer	Chief Executive
Dave Thomas	External Audit (Audit Wales)
Alison Davies	Director of Nursing (for item 3.2a)
Hayley Thomas	Director of Planning & Performance (for items 3.2b, c, d & e)
Julie Rowles	Director of Workforce & OD and Support Services (for items 3.2d and 3.2f)

Claire Madsen
Kathryn Cobley

Director of Therapies (for item 3.2h)
Welsh Language Service Improvement Manager
(for item 3.2h)

Committee Support

Caroline Evans

Head of Risk and Assurance

Apologies for absence:

Matthew Dorrance
Elaine Matthews
Anthea Wilson

Independent Member – Local Authority
External Audit (Audit Wales)
CHC

SINGLE TENDER WAIVERS (STWs)

Sarah Pritchard presented the STW request made between 1 March 2020 and 30 April 2020 and signed by the Chief Executive.

The Committee RATIFIED the approval of the one STW (Supply of Training Materials in health matters for Children [£12,672]).

FINANCIAL CONTROL PROCEDURE: COVID-19

COVID-19 - Financial Guidance to NHS Wales' Organisations was issued by the Director General for Health & Social Care / NHS Wales Chief Executive on 30th March 2020. This outlined the need to maintain excellent stewardship and governance at a time of significant disruption to the standard operating practices of NHS Wales.

Following the publication of the guidance an interim FCP was drafted by Finance for PTHB, with the aim of outlining the changes required to existing FCP's and SFI to meet the challenges and pace of dealing with the Covid-19 Pandemic as well as outlining the new procedures required to manage the Covid-19 expenditure.

Following a discussion, the Committee RATIFIED the current version (#3) of the COVID-19 Financial Control Procedure and NOTED the process by which the document had been approved during April 2020.

HEAD OF INTERNAL AUDIT ANNUAL REPORT AND OPINION FOR 2019-20

Helen Higgs presented the Head of Internal Audit Annual Report and Opinion for 2019-20, which states that '*the Board can take **reasonable assurance** that arrangements to secure governance, risk management and internal*

control, within those areas under review, are suitably designed and applied effectively.'

The Committee RECEIVED and NOTED the content of the report.

INTERNAL AUDIT REPORTS, 2019-20

Substantial Assurance Rating

a) Welsh Risk Pool Claims Management

Osian Lloyd reported that the review identified one low priority finding.

Specifically, the audit focused on the following areas: -

- there is a well understood and clearly documented procedure for handling clinical negligence and personal injury claims;
- there is a system for learning lessons from failures identified;
- there is a claims database with information on all claims, which provides regular information to the Board or appropriate sub-committee;
- there are linkages between information on claims, risks, incidents and complaints;
- financial settlements are signed off in accordance with the scheme of delegation. Central approval by the Welsh Government is obtained for claims exceeding the limit of the delegated authority of £1M or for any claims which raise novel, contentious or repercussive features; and
- claims for reimbursement made on the Welsh Risk Pool are accurate and submitted in a timely manner.

b) Capital Assurance Follow Up

Felicity Quance reported that the review identified one medium priority finding.

The review encompassed an evaluation of the actions taken by the health board to address previously agreed recommendations identified by audit for management actions from capital assurance reports.

Reasonable Assurance Rating

c) Outpatients – Planned Activity

Osian Lloyd reported that the review identified one high and three medium priority findings.

Specifically, the audit focused on the following areas: -

- Health board as a provider of services
- Commissioning arrangements with external organisations

d) Estates Assurance Follow Up

Felicity Quance reported that the review identified one medium and two low priority findings.

The review encompassed an evaluation of the actions taken by the health board to address previously agreed recommendations identified by audit for management actions arising from estates assurance reports.

e) Financial Safeguarding: Estates Team Led Work

Felicity Quance reported that the review originally identified five medium and one low priority findings.

The scope of the audit was limited to procurement exercises associated with pre-planned and reactive maintenance programmes.

The final report will be issued later today, in which recommendation 3 has been removed in light of talks with procurement, as this recommendation is now being addressed through procurement procedures.

f) Financial Safeguarding: Support Services Led Work

Felicity Quance reported that the review identified three medium priority findings.

The scope of the audit was limited to procurement exercises led by Support Services associated with addressing health & safety, statutory and regulatory requirements through routine service delivery.

Limited Assurance Rating

g) Risk Management and Board Assurance

Osian Lloyd reported that the review identified two high and three medium priority findings.

The review sought to assess how the BAF and Risk Management Framework was being implemented and if they were appropriately updated in line with the revised IMTP, and how the Board's responsibilities for risk management were effectively being discharged. It included focus on the integration of risk management and assurance process with the IMTP. Any areas of good practice are also highlighted.

h) Welsh Language Standards Implementation

Osian Lloyd reported that the review identified two high and one medium priority findings.

This audit was a high-level review of the actions the health board had taken to assess the impact of, and achieve compliance with, the Regulations.

The Committee RECEIVED the Internal Audit update.

EXTERNAL AUDIT:

a) Letter from Auditor General

b) Letter from Engagement Director

Dave Thomas presented the letter which summarises amendments to the Audit Plan 2020, as an impact of COVID-19, and the letter than outlines the approach to audit work in response to COVID-19.

The Committee RECEIVED and NOTED the letters.

APPROACH TO THE MANAGEMENT OF AUDIT RECOMMENDATIONS DURING COVID-19

Rani Mallison presented the report, which proposed steps to re-prioritise audit recommendations based on priority levels 1 to 3. A trajectory for implementation of the recommendations will be brought to the next meeting in June.

The Committee RECEIVED and APPROVED the approach outlined in the report.

APPROACH TO RISK MANAGEMENT DURING COVID-19

Rani Mallison presented the report for approval, outlining the approach to risk management during the COVID-19 pandemic.

The Corporate Risk Register (CRR) will continue to be reviewed by Executive Committee, and presented to the Board for consideration.

The COVID-19 Risk Register will be reviewed regularly by the Strategic (Gold) Group, and reported to Board alongside the CRR.

Executive Directors will review and update Directorate Risk Registers in light of the impact of COVID-19.

Whilst monitoring and moderation of the Risk Registers by the Risk & Assurance Group is temporarily suspended in light of COVID-19, Executive Directors will be asked to review Directorate Risk Registers with their teams.

The Committee RECEIVED and APPROVED the approach outlined in the report.

DRAFT FINANCIAL STATEMENTS 2019-20

Pete Hopgood delivered a presentation, which outlined the accounts that are subject to statutory audit by Grant Thornton.

It was confirmed that PTHB had achieved the following financial targets and statutory duties for 2019/20:

- Operational in-year financial balance has been achieved, reporting a surplus of £0.055M
- Cash contained within cash limit
- Capital financial balance

PTHB will meet the target dates for preparing and submitting the draft annual accounts to Welsh Government and Grant Thornton by 22nd May 2020. PTHB is on course to meet the target date to submit the audited accounts to be approved by the Audit, Risk and Assurance Committee on 25th June 2020, Health Board on 29 June 2020 and Welsh Government by the final submission date of 30 June 2020.

The Committee RECEIVED the Draft Financial Statements 2019-20.

DRAFT ACCOUNTABILITY REPORT, 2019-20

Rani Mallison stated there has been a revision in deadlines as follows: -

- Accountability Report alongside Financial Statements, draft version to be submitted by 22 May
- Accountability Report, final version to be submitted by 30 June
- Performance Report, to be submitted by 31 August

- AGM, to be held by 30 November

The Committee RECEIVED the Draft Accountability Report, 2019-20.

DATE OF NEXT MEETING

25 June 2020