

POWYS TEACHING HEALTH BOARD

SUMMARY OF THE AUDIT, RISK & ASSURANCE COMMITTEE MEETING HELD ON TUESDAY 14 SEPTEMBER 2021

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 26 January 2021 virtually and in private with a summary of the proceedings made available within a week of the meeting.

Present:

Mark Taylor	Independent Member – Capital and Estates (Committee Vice-Chair)
Mel Davies	Independent Member – Vice Chair
Rhobert Lewis	Independent Member
Ronnie Alexander	Independent Member

In Attendance:

Alison Butler	External Audit
Hayley Thomas	Director of Planning and Performance
Ian Virgil	Internal Audit
Jayne Gibbon	Internal Audit
Melanie Goodman	Internal Audit
Pete Hopgood	Director of Finance and IT
Rani Mallison	Board Secretary
Sara Utle	External Audit
Sarah Pritchard	Head of Financial Services
Julie Rowles	Director of Workforce & OD and Support Services (present for item 3.5 only)

Committee Support

Caroline Evans	Head of Risk and Assurance
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Apologies

Tony Thomas	Independent Member – Finance
Matthew Dorrance	Independent Member – Local Authority
Carol Shillabeer	Chief Executive

APPLICATION FOR SINGLE TENDER WAIVERS (STWs)

Sarah Pritchard presented the previously circulated report, seeking the Committee's ratification of STW requests made between 1 June 2021 and 31 August 2021.

Sarah Pritchard advised that there were two STW requests made between 1 June 2021 and 31 August 2021 as follows:

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
POW2122002	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.	15/07/2021	£148,920	12 Months or earlier if alternative provision implemented	Part - Retrospective	A1
POW2122005	TENDER	Network of Staff Supporters	Counselling Services for Staff	Extension of previously tendered contract as interim measure while formal procurement is undertaken	25/08/2021	£39,363	8 Months	Prospective	A2

The Committee RATIFIED the approval of the STWs.

UPDATED FINANCIAL CONTROL PROCEDURES (FCPs)

Pete Hopgood presented the previously circulated report, which seeks approval on the updated FCP Covid-19 Decision Making & Financial Governance (update number 7) and the Updated FCP Budgetary Control Procedure (update number 6).

Pete Hopgood advised that changes to the Covid-19 Financial Governance include:

- New cost centres for Recovery & Renewal programme
- Changes to working practices including commencement of IBG process, LTA blocks in 2021/22, and ongoing reporting requirements
- Current WG Adult Social Care payment process for 2021/22
- Revised dates/timescales for the publication of the accountability letters.
- Process expenditure and funding flows in 2021/22
- References to Gold Meetings replaced by Exec Meetings

Changes to the Budgetary Control Procedure include:

- Now contains a reference to Covid-19 Decision Making & Financial Governance policy

- Updated on reflect process reporting Reserves
- Updated in line with the IBG process that went live in April 2021
- Updated to reflect the new process from 2021/22 linked Efficiency Programme
- Changes in meeting arrangements and communications linked to agile working
- Includes reference to Finance Academy Good Practice Guide on Reporting
- Outlines the position regarding WG allocations and budget virements

The Committee APPROVED the Covid-19 policy (Update#7) and Budgetary Control Procedure (Update#6) presented to Audit Committee.

IMPLEMENTATION OF AUDIT RECOMMENDATIONS

Caroline Evans presented the previously circulated report, which provides an overview of the current position relating to the implementation of Audit Recommendations, arising from reviews undertaken by Internal Audit, External Audit (Audit Wales) and Local Counter Fraud Services.

Caroline Evans advised that the overall summary position in respect of overdue audit recommendations is: -

Overdue Internal Audit Recommendations						
Covid-19 Prioritisation	2017/18	2018/19	2019/20	Internal Audit Priority	2020/21	TOTAL OUTSTANDING Number
	Number	Number	Number		Number	
Priority 1	0	0	0	High	1	1
Priority 2	5	2	14	Medium	7	28
Priority 3	1	0	15	Low	4	20
Not Yet Prioritised	0	0	1			1
TOTAL	6	2	30		12	50

Overdue External Audit Recommendations				
	2018/19	2019/20	2020/21	TOTAL OUTSTANDING
	Number	Number	Number	Number
Priority 1	0	0	0	0
Priority 2	2	0	1	3
Priority 3	1	1	0	2
Not Yet Prioritised	0	0	2	2
TOTAL	3	1	3	7

Local Counter Fraud Services Recommendations		
	2020/21	TOTAL OUTSTANDING
	Number	Number
Not Yet Prioritised	0	0
TOTAL	0	0

Caroline Evans added that since the report was circulated, a further two audit recommendations have been closed, in respect of the Fire Safety internal audit undertaken in 2020/21, which means that the total outstanding internal audit recommendations is now 50, and that there are no Priority 1 or High priority audit recommendations outstanding.

The Committee RECEIVED and NOTED the progress in respect of the implementation of audit recommendations.

INTERNAL AUDIT PROGRESS REPORT 2021-22

Ian Virgil presented the previously circulated report, which includes details of the progress made to date against individual assignments, outcomes and findings from the reviews, along with details regarding the delivery of the plan and any required updates. Ian Virgil advised that one audit has been finalised so far this year, with another at the draft report stage. In addition, there are four audits that are currently work in progress with a further five at the planning stage.

It has been agreed with the lead Executive that the Mortality audit review will be postponed from Q1 to Q4 due to impending changes in the processes around mortality reviews.

It has been agreed with the lead Executive that the Post Covid-19 Syndrome audit review will be postponed from Q2 to Q3 due to ongoing developments with the process and the availability of Health Board representatives.

Ian Virgil advised a cognisance of the current pressures on the deliverability of the full internal audit plan, however, any changes to the plan will be discussed with Executives and reported to the Committee.

The Committee RECEIVED and NOTED the Internal Audit Progress Report 2021-22.

INTERNAL AUDIT REPORT: ACCESS TO SYSTEMS (REASONABLE ASSURANCE)

Ian Virgil presented the previously circulated report, which outlines the results of the review that was undertaken to assess the arrangements in place for the management and control of Access to Data and Systems.

Access to systems and data is managed by Powys Information and Communication Technology (ICT) Department to the Service areas and staff of Powys County Council (PCC) and Powys Teaching Health Board under a s.33 agreement. Powys ICT also support the connectivity of client devices to enable access to a range of national and locally hosted systems.

Ian Virgil advised that the review identified three recommendations for improvement: one high priority; one medium priority; and, one low priority.

A question arose in respect of monitoring progress of the business case. Pete Hopgood stated that liaison with Welsh Government is ongoing whilst awaiting approval of the funding to support the cross-border access to information. Securement of the funding is a key priority that is being closely monitored, and escalated if any issues arise.

Rani Mallison added that progress of the work will be monitored by the Delivery and Performance Committee, and that the audit recommendations identified from this review will be monitored through this Committee as part of the audit recommendation tracking process.

The Committee RECEIVED and NOTED the Internal Audit Report.

EXTERNAL AUDIT PROGRESS REPORT 2021-22

Alison Butler provided the previously circulated report, which provides an update on current and planned Audit Wales work. Accounts and performance audit work are considered, and information is also provided on the Auditor General's wider programme of national value-for-money examinations and the work of our Good Practice Exchange (GPX).

Alison Butler and Sara Utley advised that the following audit work is currently underway:

Area of work		Current status	
Audit of the 2020-21 Accountability Report and Financial Statements		<p>The Audit Committee and Board considered our audit report on 8 and 10 June respectively.</p> <p>The accounts were submitted to Welsh Government in line with the submission deadline of 11 June. The Auditor General for Wales placed an unqualified audit opinion on the accounts on 15 June and laid them before the Senedd on the 16 June.</p> <p>The Auditor General also issued a substantive report on the impact of a Ministerial Direction issued in December 2019 to the Permanent Secretary of the Welsh Government, instructing her to fund certain clinicians' pension tax liabilities. All NHS bodies will be 'held harmless' for the impact of the Ministerial Direction, however, in the opinion of the Auditor General any transactions included in the health board's financial statements to recognise this liability would be irregular.</p>	
Audit of the 2020-21 Charitable Funds Account		Planned for late 2021	
Area of work	Exec Lead	Focus of the work	Current status
Orthopaedic services – follow up	Medical Director	This review will examine the progress made in response to our 2015 recommendations. The findings from this work will inform the recovery planning discussions that are starting to take place locally and help identify where there are opportunities to do things differently as the service looks to tackle the significant elective backlog challenges.	Report being drafted
Quality Governance	Director of Nursing	This work will allow us to undertake a more detailed examination of factors underpinning quality governance such as strategy, structures and processes, information flows, and reporting. This work follows our joint review of Cwm Taf Morgannwg UHB and as a result of findings of previous structured assessment work across Wales which has pointed to various challenges with quality governance arrangements.	Report in Clearance, to be presented to Committee November 2021
Structured Assessment	Chief Executive	<p>This work will continue to reflect the ongoing arrangements of NHS bodies in response to the COVID-19 emergency. The work will be undertaken in two phases. Phase 1 will review the effectiveness of operational planning arrangements to help NHS bodies continue to respond to the challenges of the pandemic and to recover and restart services.</p> <p>Phase 2 will examine how well NHS bodies are embedding sound arrangements for corporate governance and financial management, drawing on lessons learnt from the initial response to the pandemic.</p>	<p>Phase 1 – Completed and report presented to Committee in July</p> <p>Phase 2 - Fieldwork Underway, to be presented to Committee November 2021</p>

The Committee RECEIVED and NOTED the External Audit update.

WELSH HEALTH SPECIALISED SERVICES COMMITTEE GOVERNANCE ARRANGEMENTS

a. AUDIT WALES REPORT

Sara Utley presented the previously circulated paper, which sets out the findings of the review, which considered the extent to which there are effective governance arrangements and whether the planning approach effectively supports the commissioning of specialised services for the population of Wales.

Sara Utley advised that since the previous reviews in 2015, governance, management and planning arrangements have improved, but the impact of COVID-19 will now require a clear strategy to recover services and there would still be benefits in reviewing the wider governance arrangements for specialised services in line with the commitments within A Healthier Wales.

b. MANAGEMENT RESPONSE

Hayley Thomas presented the previously circulated report, which presents the management response to the Audit Wales report WHSSC Committee Governance Arrangements.

Hayley Thomas advised that the report outlined 4 recommendations for WHSSC and 3 recommendations for Welsh Government.

The Committee RECEIVED and NOTED the Welsh Health Specialised Services Committee Governance Arrangements update.

POSITION STATEMENT ON THE PROGRESSION OF THE FIRE SAFETY IMPROVEMENTS

Julie Rowles presented the previously circulated report, which provides an update on progress against Findings in the 23 October 2020 NHS Wales Audit and Assurance Services internal audit on Fire Safety, which resulted in a Limited Assurance outcome constituted of eight Fire Safety Audit recommendations and two Follow Up audit recommendations.

Julie Rowles advised that there are two medium-priority fire safety audit recommendations and one medium-priority follow up audit recommendation remaining in progress, with work on track to implement these outstanding recommendations by 30th September 2021.

The Committee RECEIVED and NOTED the Fire Safety Update.