

## **POWYS TEACHING HEALTH BOARD**

### **SUMMARY OF THE AUDIT, RISK & ASSURANCE COMMITTEE MEETING HELD ON TUESDAY 16 November 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:**

Tony Thomas	Independent Member – Finance (Committee Chair)
Mark Taylor	Independent Member – Capital and Estates
Matthew Dorrance	Independent Member – Local Authority
Rhobert Lewis	Independent Member
Ronnie Alexander	Independent Member

#### **In Attendance:**

Carol Shillabeer	Chief Executive
Alison Davies	Director of Nursing and Midwifery (for Item 3.2c & 3.7 only)
Hayley Thomas	Director of Planning and Performance (for Item 3.2a only)
Wayne Tannahil	Head of Estates and Property (for Item 3.2a only)
Ian Virgil	Internal Audit
Jayne Gibbon	Internal Audit
Melanie Goodman	Internal Audit
Pete Hopgood	Director of Finance and IT
Rani Mallison	Board Secretary
Sarah Pritchard	Head of Financial Services
Alice Rushby	External Audit
Anne Beegan	External Audit
Bethan Hopkins	External Audit
Kirsty James	PTHB Counter Fraud
Matthew Evans	Swansea Bay Counter Fraud

#### **Committee Support**

Shania Jones	Charity Administrative Support Officer
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## Apologies

Vivienne Harpwood

Claire Powell

Rebecca Collier

Alison Butler

**Present:**

PTHB Chair

CHC

Health Inspectorate Wales

External Audit

## APPLICATION FOR SINGLE TENDER WAIVERS (STWs)

Sarah Pritchard presented the previously circulated report, seeking the Committee's ratification of STW requests made between 1 September 2021 and 31 October 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
POW2122008	TENDER	Not included due to commercial sensitivities	Trade Waste Collection	Maintain service whilst formal tender process undertaken	01/09/2021	£88,528	12 Months	Prospective	A1
POW2122007	TENDER	Not included due to commercial sensitivities	Upgrade of Electrical Utilities Infrastructure to Llandrindod Wells Hospital	Sole Supplier of Utilities and owner of Transformer unit where Infrastructure requirement is being upgraded to enable additional power to the hospital	20/10/2021	£32,490	6 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.

### **INTERNAL AUDIT PROGRESS REPORT**

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 four audits has been finalised so far this year, with one at the draft report stage. In addition, there are three audits that are currently work in progress with a further six at the planning stage.

### **INTERNAL AUDIT REPORTS:**

#### **a) CONTROL OF CONTRACTORS (LIMITED ASSURANCE)**

Melaine Goodman presented the previously circulated report, which outlines the results of the review that was undertaken to evaluate the processes and procedures that support the management and control of contractors working for the THB, within Capital and Estates, and compliance with Health and Safety Executive (HSE) and other associated guidance and legislation. Melaine Goodman advised that the review identified ten recommendations for improvement: four high priority; four medium priority; and, two low priority.

#### **b) MEDICAL EQUIPMENT AND DEVICES (REASONABLE ASSURANCE)**

Ian Virgil presented the previous circulated report, which outlines the results of the review that was undertaken to evaluate and determine the adequacy of the systems and controls in place for the management of medical equipment & devices and point of care testing. Ian Virgil advised that the review identified seven recommendations for improvement: three high priority; three medium priority; and, one low priority.

#### **c) MIDWIFERY SAFEGUARDING SUPERVISION (REASONABLE ASSURANCE)**

Ian Virgil presented the previous circulated report, which outlines the results of the review that was undertaken to evaluate and determine the adequacy of the systems and controls in place within the Health Board for Midwifery – Safeguarding Supervision. Ian Virgil advised that the review identified two medium recommendations for improvement.

The Committee RECEIVED and NOTED the Internal Audit Reports.

### RISK MANAGEMENT FRAMEWORK

Rani Mallison presented the previously circulated report, which provides the revised Risk Management Framework, including Risk Appetite Statement, ahead of presentation to the Board in November 2021.

Rani Mallison advised that the RMF will help build and sustain an organisational culture that encourages appropriate risk taking, to continuously improve the quality of the services provided and commissioned by the health board.

The Committee RECEIVED and NOTED the Risk Management Framework.

### IMPLEMENTATION OF AUDIT RECOMMENDATIONS

Rani Mallison 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.

Rani Mallison 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	2021/22	TOTAL OUTSTANDING
	Number				Number		
Priority 1	0	0	0	High	2	0	1
Priority 2	5	1	9	Medium	6	0	28
Priority 3	1	0	9	Low	1	0	20
Not Yet Prioritised	0	0	1				1
<b>TOTAL</b>	<b>6</b>	<b>0</b>	<b>19</b>		<b>9</b>	<b>0</b>	<b>34</b>

Overdue External Audit Recommendations				
	2018/19	2019/20	2020/21	TOTAL OUTSTANDING
	Number	Number	Number	Number
Priority 1	0	0	2	0
Priority 2	2	0		2
Priority 3	1	0		1
Not Yet Prioritised	0	0		2
<b>TOTAL</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>5</b>

Local Counter Fraud Services Recommendations		
	2021/22	TOTAL OUTSTANDING
	Number	Number
Overdue	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>

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

### **WELSH HEALTH CIRCULARS**

Rani Mallison presented the previously circulated report, which provides an overview of the current position relating to the implementation of Welsh Health Circulars (WHCs). WHCs are received from Welsh Government by the Corporate Governance Team, where they are logged and then distributed to the appropriate Executive Director for action. Rani Mallison advised that the overall summary position in respect of WHCs is: -

	2018	2019	2020	2021
<b>No Progress</b>	0	0	0	0
<b>Partially Complete</b>	1	2	2	8
<b>Complete</b>	47	36	15	9
<b>TOTAL NUMBER ISSUED</b>	<b>48</b>	<b>38</b>	<b>17</b>	<b>17</b>

The Committee RECEIVED and NOTED the update in respect of Welsh Health Circulars.

### **ANNUAL GOVERNANCE PROGRAMME REPORTING**

Rani Mallison provided the previously circulated report, which provides a progress update on delivery of the Annual Governance Programme for 2021/22, as at Quarter 2. The Annual Governance Programme outlines key governance priorities, informed by internal audit, external audit and the board's review of its effectiveness. The Annual Governance Programme includes detailed actions for implementation. These actions are led by the Board Secretary, and are delivered in partnership with relevant members of the Board. Progress is reported to the Audit, Risk & Assurance Committee, in-line with the Committee's role in assuring the Board on governance, risk and assurance arrangements.

Rani Mallison advised of Quarter 2 Achievements in the following areas: -

- Purpose, Roles and Responsibilities
- Board Effectiveness
- Risk and Assurance system

The Committee RECEIVED and NOTED the Annual Governance Programme update.

### **AUDIT WALES REVIEW OF QUALITY GOVERNANCE ARRANGEMENTS**

Anne Beegan provided the previously circulated report, which provides the results of the audit that examined whether the organisation's governance arrangements support delivery of high quality, safe and effective services. The review focused on both the operational and corporate approach to quality governance, organisational culture and behaviours, strategy, structures and processes, information flows and reporting.

Anne Beegan advised that overall, the review found that the Health Board is committed to ensure high quality, safe and effective services and has taken steps to improve its quality governance arrangements. There remains work to embed these arrangements, articulate the quality priorities of the organisation and ensure there are measures in place to demonstrate and monitor achievement to drive improvements across the full range of services provided and commissioned.

The Committee RECEIVED and NOTED the Audit Wales Review of Quality Governance Arrangements.

### **EXTERNAL AUDIT PROGRESS REPORT 2021-22**

Anne Beegan 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).

Anne Beegan advised that the following audit work is currently underway:

<b>Accounts audit work</b>			
<b>Area of work</b>		<b>Current status</b>	
Audit of the 2020-21 Charitable Funds Account		Audit work due to commence in November.	
<b>Performance audit work</b>			
<b>Area of work</b>	<b>Exec Lead</b>	<b>Focus of the work</b>	<b>Current status</b>
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
Structured Assessment	Chief Executive	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. 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.	Phase 1 – Completed and report presented to Committee in July  Phase 2 - Fieldwork Underway, to be presented to Committee January 2022
Renewal Programme	Director of Planning & Performance	This local work will examine the arrangements put in place to deliver the Health Board’s renewal programme.	Scoping

The Committee RECEIVED and NOTED the External Audit update.

## LOSSES AND SPECIAL PAYMENTS REPORT

Sarah Pritchard presented the previously circulated report, which provides an interim report for the period 1st April 2021 to 31st October 2021.

Sarah Pritchard advised that losses and special payments are items that the Welsh Government would not have contemplated when they passed legislation or agreed funds for the NHS; such payments would also include any ex gratia payments made by the THB. By their nature they are items which should be avoidable and should not arise. They are subject therefore to special control procedures and are included within a separate note in the THB's annual accounts.

	No. of payments/Receipts	No. of cases	£
Clinical Negligence /Personal Injury (Payment)	16	8	£83,351.70
<b>Total</b>	<b>16</b>	<b>8</b>	<b>£83,351.70</b>

	No. of payments/receipts	No. of cases	£
Redress Payments	23	16	£11,193.70
<b>Total</b>	<b>23</b>	<b>16</b>	<b>£11,193.70</b>
Redress Receipts	0	0	£0.00
<b>Total</b>	<b>23</b>	<b>16</b>	<b>£11,193.70</b>

	No. of payments/receipts	No. of cases	£
GMPI Payments	2	1	£612.00
<b>Total</b>	<b>2</b>	<b>1</b>	<b>£612.00</b>
GMPI Receipts	0	0	0.00
<b>Total</b>	<b>2</b>	<b>1</b>	<b>£612.00</b>

	No. of payments/receipts	No. of cases	£
Other Special Payments	3	3	£37,318.43
<b>Total</b>	<b>3</b>	<b>3</b>	<b>£37,318.43</b>

The Committee RECEIVED and NOTED the Losses and Special Payments Report.

## AUDIT WALES REVIEW OF PICTURE OF PUBLIC SERVICES 2021

Anne Beegan presented the previously circulated report, which is part of a series of Picture of Public Services 2021 outputs. It summarises some key trends in public finances and sets out our independent perspective on some of the key issues for future service delivery.

Anne Beegan advised that the COVID-19 pandemic has had a devastating impact on many families and communities, yet it has also brought out much of the best in our public services. All of us at Audit Wales pay tribute to the dedication and extraordinary efforts of public servants across Wales through this tumultuous period.

In these circumstances, it is essential that public services get the most value out of the available resources. Value is not just about delivering more outputs more efficiently. Value for money is also about outcomes: making progress in improving the wellbeing of individuals and communities.

The Committee RECEIVED and NOTED the Audit Wales Report.

### **AUDIT WALES REVIEW OF TAKING CARE OF THE CARERS?**

Anne Beegan presented the previously circulated report, which describes how NHS bodies have supported the wellbeing of their staff during the COVID-19 pandemic, with a particular focus on their arrangements for safeguarding staff at higher risk from COVID-19.

Anne Beegan advised that the resilience and dedication shown by NHS staff at all levels in the face of the unprecedented challenges and pressures presented by the pandemic has been truly remarkable. It is inevitable, however, that this will have taken a considerable toll on the wellbeing of NHS staff, who now also face the challenges of dealing with the pent-up demand in the system caused by COVID-19. It is assuring to see that NHS bodies have maintained a clear focus on staff wellbeing throughout the pandemic and have implemented a wide range of measures to support the physical health and mental wellbeing of their staff during the crisis. Taking care of those who care for others is probably more important now than it has ever been before.

The Committee RECEIVED and NOTED the Audit Wales Report.

### **COMMITTEE WORK PROGRAMME**

Rani Mallison presented the previously circulated report, which provides the Committee with its work programme for 2020-21.

Rani Mallison advised that the work programme has been developed in-line with respective terms of reference, the Board's Assurance Framework and Corporate Risk Register. The work programme will be reviewed routinely at each meeting.

The Committee RECEIVED and NOTED the Committee Work Programme 2021/22.