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Addysgu Powys
Powys Teaching
Health Board

**POWYS TEACHING HEALTH BOARD
SUMMARY OF THE AUDIT, RISK & ASSURANCE COMMITTEE
MEETING HELD ON Tuesday 22 March 2022**

Present:

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

In Attendance:

Carol Shillabeer	Chief Executive
Ian Virgil	Internal Audit
Jayne Gibbon	Internal Audit
Melanie Goodman	Internal Audit
Pete Hopgood	Director of Finance and IT
James Quance	Interim Board Secretary
Andrew Gough	Deputy Director of Finance
Sarah Pritchard	Head of Financial Services
Alice Rushby	External Audit
Anne Beegan	External Audit
Claire Powell	Powys CHC
Kirsty James	Local Counter Fraud
Matthew Evans	Swansea Bay Counter Fraud
Amanda Legge	NHS Wales Shared Services (Item 3.3 only)
Sue Tilman	NHS Wales Shared Services (Item 3.3 only)

Observers:

Vivienne Harpwood	PTHB Chair (Part-meeting only)
Kirsty Williams	PTHB Vice Chair

Committee Support

Stella Parry	Interim Corporate Governance Manager
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Apologies

Matthew Dorrance	Independent Member – Local Authority
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MATTERS ARISING FROM PREVIOUS MEETINGS

ARA-21-100: The Committee were informed that the audit of the Charitable Funds Accounts 2021-22, which had been delayed due to a technical issue, had now been completed. The final accounts and audit report will be brought to the appropriate future committee meeting and the Board.

COMMITTEE ACTION LOG

ARA-21-95: It was confirmed that this action was included on the meeting agenda under item 2.1. This action was recorded as complete.

APPLICATION FOR SINGLE TENDER WAIVERS (STWs)

The Committee considered the previously circulated report which sought the Committee's ratification of STW requests made between 1 January 2022 and 28 February 2022.

Four STW requests were considered by the Committee, summarised within the table below:

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
POW-2122-014	Tender	Powys County Council	Gritting Services	Continuation of Arrangements-Value for Money	26-01-2022	£46,000	4 months	Partly Retrospective	A1
POW-2122-017	Tender	Red Cortex	Consultancy	Urgent Interim Arrangement pending Procurement	26-01-2022	£33,260	3 Weeks	Prospective	A2
POW-2122-015	Quote	Sail Databank	Access to research data system	Sole Supplier	23-02-2022	£18,700	3 years	Prospective	A3

POW2122019	Tender	Parkway Clinic	Dental Surgical Interventions for Children and Young Adults	No NHS Provision available and clinical need	23-02-2022	£80,000	2 years	Prospective	A4
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Committee Members welcomed the analysis, and it was AGREED that STW trend analysis would be brought forward to the Committee on an annual basis. The Committee RATIFIED the approval of the STWs as detailed within the report.

APPROACH TO 2021-22 ANNUAL ACCOUNTS

The Committee received an outline of the approach and principles to be adopted for completion of the 2021-22 Annual Accounts together with the planned approach to key financial areas. The approach was based upon Technical Advisory Group (TAG) advice and built upon the approach implemented by the Health Board in 2020-21.

External Audit welcomed the report and recognised the improvements made to the approach since 2020-21. The Committee NOTED and APPROVED the approach to the 2021-22 Annual Accounts.

COUNTER FRAUD WORKPLAN 2022-23

The Committee was presented with the Counter Fraud Work Plan 2022-23 which had been developed in accordance with the new Counter Fraud Standards adopted by Welsh Government. It was noted that full compliance with the standards was required by 2023-24 and the 2022-23 workplan sought to develop readiness for full implementation of the standards. An updated position against the 2021-22 plan was also provided. The Committee noted that assurance standards had been met for the year and stood Powys in a good strategic position into 2022-23.

The Committee welcomed and RATIFIED the Counter Fraud Work Plan 2022-23.

INTERNAL AUDIT PLAN 2022-23

The Committee received a detailed overview of the work to be undertaken in the forthcoming year, the corresponding internal audit resources required to deliver the plan and the Internal Audit Charter. It was noted that the plan had

been developed to comply with Public Sector Internal Audit Standard 2010 – Planning, to enable key annual objectives to be met.

Meetings with a number of Health Board Executives and Independent Members had taken place to discuss current areas of risk and related assurance needs. The draft Plan had also been considered by the Health Board’s Executive Committee to ensure Internal Audit focus was best targeted to areas of risk.

Under the approach adopted in previous years, the top slice provided to Internal Audit to undertake the internal audit programme was supplemented by an additional charge for work over and above the top slice. To this end the Health Board would need to pay an additional £57,614 (£55,223 in 21-22) to cover this additional audit work. Under the approach adopted since the formation of NWSSP, Internal Audit charge for the specialist Capital and Estates work delivered as a part of the agreed plan. For 2022-23, this additional charge is £21,400 (£26,821 in 21-22). Therefore, the Health Board will be charged an additional amount of £79,014 which is over and above the ‘top slice’ recharge agreed as part of NWSSP’s overall funding for 2022-23.

The Committee APPROVED the Internal Audit Plan for 2022-23, the Internal Audit Charter and NOTED the associated Internal Audit Resource requirements and Key Performance Indicators (KPIs).

AUDIT RECOMMENDATION TRACKING

The Committee received 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.

The Committee was informed that a review of the Audit Recommendation Tracker and the accuracy in relation to key actions and risks was due to be undertaken in the coming weeks as part of the Internal Audit Plan. The resulting report would be brought forward to a forthcoming meeting of the Committee.

The Committee DISCUSSED and NOTED the position in relation to the implementation of audit recommendations.

ANNUAL GOVERNANCE PROGRAMME REPORTING

The Committee received an update against the previously agreed priorities as of 31 December 2021. It was noted that progression against several items had lost momentum as a result of the pandemic and it was noted that this issue had been apparent across Welsh health boards. The programme would be refreshed in 2022-23 and it was reported that the implementation of the Board

Assurance Framework remained a key priority; the Committee was assured that this was under development.

The Committee RECEIVED and NOTED the Annual Governance Programme Report.

POST PAYMENT VERIFICATION (PPV) UPDATE AND WORKPLAN 2022-23

An update was provided in relation to performance against the current, and two previous PPV cycles as well as overall performance against national benchmarking. It was noted that PPV provided assurance in all contractor disciplines, except for General Dental Services.

The Committee RECEIVED and NOTED the Report.

INTERNAL AUDIT PROGRESS REPORT 2021-22

The Committee was presented with an overview of the progress to date against the 2021-22 Internal Audit Plan. It was noted that three audits had been finalised since January; 10 audits had been completed to date; one was in draft; five were ongoing and three were in the planning stage. At the meeting of the Committee on 20 January 2022 it was agreed that four audits would be removed from the 2021-22 plan. 19 audits remained in 2021-22 which provided sufficient coverage to produce the Head of Internal Audit Opinion 2021-22. It was confirmed that the four audits removed would be taken forward into the 2022-23 Internal Audit Plan.

The Committee DISCUSSED and NOTED the Progress Report.

INTERNAL AUDIT REPORTS

The following Internal Audit Reports were presented to the Committee:

- a) Waste Management (Reasonable Assurance)
- b) Job Matching and Evaluation Process (Reasonable Assurance)
- c) Mortality Reviews (Reasonable Assurance)

The Committee RECEIVED and NOTED the Internal Audit reports.

EXTERNAL AUDIT PROGRESS REPORT 2021-22

The External Audit Progress Report was presented to the Committee, and it was noted that there were two financial audits underway; the audit of the 2021-22 Annual Accounts was at the planning stage and the draft Charitable Funds Accounts 2021-22 audit report was with the Health Board's finance department for review.

There was also an audit of the Health Board's Renewal programme which had completed field work and was due to be considered by the Health Board's Chief Executive prior to reporting to the next Committee. Four audits in relation to the system of unscheduled care were due to be completed by April 2022. The Committee NOTED that the forward workplan for the Audit General Wales was included within the report which was out for consultation at the time of the meeting.

The Committee DISCUSSED and NOTED the External Audit Progress Report.

EXTERNAL AUDIT ANNUAL PLAN 2022

The following audit of financial statement risks were highlighted:

- Management Override
- Scheme Pays
- Any errors in the Remuneration Report 2021-22
- COVID-19 pressures
- Financial duty to break even over a three-year period
- IFRS 16

The Committee NOTED that since the submission of the report changes had been made to Audit Management for the financial audits. A new Audit Manager had been appointed and was due to attend the next meeting of the Committee.

The Committee was provided with the following overview of planned performance audit work in 2022:

- NHS Structured Assessment
- All-Wales Thematic work
- Locally focus work
- Implementing previous audit recommendations

The Committee DISCUSSED and NOTED the External Audit Plan 2022.

WELSH HEALTH SPECIALISTED SERVICES COMMITTEE (WHSSC) AUDIT TRACKER

The item was presented to the Committee for information. It was NOTED that a further update was anticipated, and that good progress had been made against elements reported to the Audit, Risk and Assurance Committee and Patient Experience, Quality and Safety Committee.

The Committee RECEIVED and NOTED the Report.

There was no other urgent business.

DATE OF NEXT MEETING

26 April 2022, 10:00 am, Microsoft Teams