

**CONFIRMED MINUTES OF AUDIT COMMITTEE
ON 4 DECEMBER 2018
CORPORATE MEETING ROOM, HEADQUARTERS, UHW**

Present:

John Union	JU	Chair - Audit
Charles Janczewski	CJ	Vice Chair
Dawn Ward	DW	Independent Member – Trade Unions

In Attendance:

Simon Cookson	SC	Internal Audit
Nicola Foreman	NF	Director of Corporate Governance
Tom Haslam (part)	TH	Audit Manager, Wales Audit Office
Fiona Jenkins (part)	FJ	Consultant in Public Health
Christopher Lewis	CL	Deputy Director of Finance
David Poland	DP	Wales Audit Office
Mike Usher (part)	MU	Sector Lead, Wales Audit Office
Ian Virgil	IV	Deputy Head of Internal Audit

Secretariat:

Sheila Elliot

Apologies:

Eileen Brandreth	EB	Independent Member - ICT
Craig Greenstock	CG	Counter Fraud Manager
James John	JJ	Head of Internal Audit
Mark Jones	MJ	Audit Manager, Wales Audit Office

AC 18/066	WELCOME AND INTRODUCTIONS	ACTION
	<p>The Chair welcomed everyone to the meeting.</p> <p>The Chair asked that everyone note the changes to the Committee: John Union was with immediate effect taking over the role of Chair and Eileen Brandreth would join the Committee. Ruth Walker has stood down from this Committee as her role was overlapping with Dawn Ward.</p>	
AC 18/067	<p>APOLOGIES FOR ABSENCE</p> <p>Apologies for absence were noted.</p>	
AC 18/068	<p>DECLARATIONS OF INTEREST</p> <p>The Chair invited Members to declare any interests in the proceedings. Mr Charles Janczewski declared that he was Chair of the WHSSC Quality and Patient Safety Committee.</p>	

AC 18/069	<p>MINUTES OF THE BOARD MEETING HELD ON 25th SEPTEMBER 2018</p> <p>Resolved – that:</p> <p>(a) Members of the Audit Committee received and approved the minutes of the meeting held on 25th September 2018.</p>
AC 18/070	<p>ACTION LOG FOLLOWING THE LAST MEETING</p> <p>AC 18/022: Internal Audit Progress Report: Business Continuity Plan An update, was provided later on in the meeting - see minute reference 18/078.</p> <p>AC 18/050: Consultant Job Planning: Limited Assurance This will be undertaken in the first quarter of 2019/20 Internal Audit Plan. Action complete.</p> <p>AC 18/051: internal Audit Reports Clinical Boards were reminded of the need to respond to the Internal Audit report.</p> <p>AC 18/053: Continuing Health Care and Follow Up This review will be put into the Internal Audit Plan for 2019/20. Action complete.</p> <p>AC 18/054: WAO Report on Medical Equipment An update was provided later in meeting – see minute reference 18/071. Action Complete.</p> <p>AC 18/056: Tracking Report on WAO Reports An update was provided later in meeting – see minute reference 18/076. Action Complete.</p> <p>AC 18/057: Structured Assessment 2017 Actions outstanding from the 2017 Structured Assessment would be addressed in the 2018 report. Actions would be tracked by the Corporate Governance Directorate.</p> <p>AC 18/058: Post Payment Verification This item would be reviewed in the Audit Committee meeting in April 2019.</p> <p>Resolved – that:</p> <p>(a) The Committee reviewed and noted the action log for the meeting held on 25th September 2018.</p>
AC 18/071	<p>WALES AUDIT OFFICE REPORT ON MEDICAL EQUIPMENT MANAGEMENT RESPONSE AND ACTION PLAN UPDATE</p> <p>The Executive Director of Therapies and Health Science introduced the report and stated that WAO auditors were happy with the</p>

progress which had been made. The current Action Plan with 8 recommendations in the paper were all at stages of either amber or green. The recommendations were discussed:

- Medical Equipment Report had been circulated in addition to the report on Health Care Standard Equipment.
- Feedback had been received from Clinical Boards on the audit requirements. There should be a nominated person for each Clinical Board.
- Medical Devices Safety Officers need to have a risk register for medical equipment.
- A full inventory was in place and on track to deliver in April 2019
- There was no register of equipment under £5k. A question was raised about Clinical Boards advising on the feasibility of producing a register of equipment under £5k. A Medical Equipment Procurement Officer is now in post and standardising the approach to purchase and decommissioning. A register for £5k equipment could become part of this person's role.

Resolved – that:

- (a) The Audit Committee Members noted the update on progress received from the Director of Therapies and Health Science.
- (b) WAO to investigate and give feedback on equipment registers under £5k.

TH

AC 18/072

WAO PROGRESS REPORT

Mike Usher, Sector Lead, presented a paper and the following points were raised:

- Charitable Funds Committee happening the following week would discuss the finance.
- Planning for 2018/19 has started and would be documented at the February Audit meeting.
- Regional findings had been sent to the Partnership Board.
- The structured assessment was ongoing and on target for delivery to the UHB by mid-December.
- Follow-up of previous work would meet the April deadline.
- Exhibit 4 on orthopaedic follow-up had been undertaken at every Health Board and was expected in April 2019.
- Work on operating theatres in 2015 was being followed up.
- Work on IM&T recommendations in 2014 was being followed up
- Director of Corporate Governance would be a focal and liaison point for WAO.
- Responses to queries would be given at next Committee meeting on an ongoing basis so that there was an audit trail and things were not lost.
- Cardiff Out of Hours report revealed Clinical Leaders did not have enough time to monitor care.

Primary Care Planning Update

David Poland introduced the report on Phase 2 of the Primary Care Services and the following points were raised:

- Now moving into Phase 3 and should be consistent with the Welsh Government Plan.
- A survey performed earlier in the year of other professional groups such as pharmacists, dentists, ophthalmologist gave a good response.
- The KPI's and the dashboards were being assessed.
- There were concerns about population growth and this needed to be reviewed.
- There were issues around cluster maturity and whether leaders had time to do their role.
- Some progress had been made on shifting resource but there were still significant challenges to be overcome.
- How to change a project to a mainstream service and how the budget needs to be continued for the mainstream service.
- Regarding multi-professional roles there are often issues getting through the system regarding job specifications and bands.
- Primary Care is a priority and the performance report is focussed on Secondary Care.
- Oversight on Primary Care reporting was better but reporting was still required.
- Primary Care performance was not good. Barriers had been identified and recommendations made and accepted.
- The Assistant Director of Finance had seen this but reports should come to the Audit Committee via Management Executives.
- Clusters involve multiple partnerships.

Resolved – that:

- (a) The Audit Committee reviewed and noted the report.
- (b) The Audit Committee noted that the Health Board is making progress on plans and delivering care to patients.

AC: 18/073

BOARD ASSURANCE FRAMEWORK

The Director of Corporate Governance introduced the report. She stated that the Board Assurance had been presented to the Board last Thursday and it had been approved. Work was in progress on this and actions and details were being refined and the BAF would be presented back to the Board in January 2019.

The BAF would replace the CRAF and top level risks would be reported to the Board via the risk registers so the Board also had oversight of high operational risks.

Some registers are very good and over time would all be standardised with critical risk areas and key objectives.

Resolved – that:

- (a) The Audit Committee reviewed and noted the BAF and the work which had been done by the Director of Corporate Governance.

AC: 18/074

TERMS OF REFERENCE

The Director of Corporate Governance introduced the report. She stated that the Terms of Reference were last reviewed by Committee in 2016 and should be approved by the Board on an annual basis. The Terms of Reference are being updated but there are no significant changes. A final set would go to Board at end of March 2019 and would be brought to the Audit Committee at end of February. Any alterations to be back with Director of Corporate Governance by end of December 2018.

Resolved – that:

- (a) The Audit Committee reviewed the draft Audit Committee Terms of Reference and agree to bring back to the meeting in February 2019.

NF

AC: 18/075

AUDIT COMMITTEE WORKPLAN

The Director of Corporate Governance introduced the report. She stated that she had identified some gaps in the old Plan and so had produced a new plan for 2019/2020.

Mike Usher, Welsh Audit Office mentioned the Annual Audit Report would go to February 2019 meeting to cover a full Year.

Charles Janczewsk mentioned there should be an induction program for new committee members and Director of Corporate Governance stated that there should be a development session with Committee and the Board early next year.

Resolved – that:

- (a) The Annual Workplan both to be presented to February 2019 Meeting for final sign-off.
(b) That a Board Development session be undertaken on the role of the Audit Committee.

NF

NF

AC: 18/076

INTERNAL AUDIT PROGRESS REPORT

Ian Virgil provided the Committee with an update on the delivery of the agreed audit plan. He identified some areas of slippage.

The Estates Time Recoding Meeting has occurred and the meeting of the PCIC interface was planned. Dawn Ward, Independent Member checked there were sufficient resources and Ian advised that things were improving now that the limited assurance reports were being sent to the Executives meeting.

Points covered:

4.1 - Two Limited Assurance Reports delayed.

4.2 - Two Limited Assurance Reports moved up to Substantial Assurance Reports.

4.4 - Two reports had been pushed back to the next financial year.

Appendix B - Report on standard progress reasonably positive.

Appendix C - Completed audits.

Appendix D - Compliance with KPI's and response times.

Standards of behaviour had received limited assurance. Only 24 out of approximately 16,000 replies on the Declaration of Interest were received. This would be followed up early in the financial year.

Resolved – that:

- (a) The Audit Committee noted the Internal Audit Progress report.
- (b) The report of Standards of Behaviour would be followed-up early in the financial year.

IA

AC: 18/077

TRACKING REPORTS

The Director of Corporate Governance introduced the report and stated that she was not happy with how reports were being tracked. This report would be reviewed and developed for the February 2019 Audit Committee

NF

Resolved – that:

- (a) The Audit Committee noted the report and the changes the Director of Corporate Governance wished to make to ensure that the tracking of reports was strengthened going forward.

AC: 18/078

BUSINESS CONTINUITY PROGRESS REPORT

The report was introduced and the following comments made:

- A Group Chaired by Steve Curry, Chief Operating Officer would oversee the implementation of the actions within the report. A Strategic Group for Business Continuity was to be set up in January 2019.
- The Business Continuity Plan was tested in March 2018 when there had been heavy snowfalls and lessons were learnt from this. A lack of staff accommodation was noted. Staff often sorted out their own transport and accommodation needs and volunteers turned up to help with transport. It was suggested that in the future volunteers register to provide the transport service so we would get the balance right.
- It was found that when we do have disturbances due to flooding, or loss of electricity the business continuity plans were by default practiced and the planning usually took place

AH

very well.

- Clinical Boards were now using templates for their Business Continuity Plans.
- 2 staff working on these areas are particularly good and other Health Authorities were copying our idea, which was a good thing
- Brexit – A plan was in place covering staff problem, re-ordering of specialised equipment, time-critical items etc.

Resolved – that:

- (a) The Audit Committee discussed and noted the Business Continuity report.

AC: 18/079

LOSSES AND SPECIAL PAYMENTS

The Deputy Financial Director introduced the report and made the following comments:

- The Losses and Special Payments panel met bi-annually to consider write-offs and special payments for the preceding 6 months. Details would be found in the minutes of the Losses and Special Payments Meeting. Job titles needed to be added in future appendices and a graphical representation would be good.
- There was nothing of notable value in the last six months but there was discussion regarding the £8.6m maternity equipment claim which needed to be kept on the books and the cost would be met by the Welsh Government.
- Ex-gratia payment was made to one household re. noise pollution and the Board hopes that this does not set a precedent and would be reviewed by Deputy Director of Finance.

CL

CL

Resolved – that:

- (a) The Audit Committee noted the report on losses and special payments.

AC: 18/080

ITEMS FOR NOTING

Clinical Negligence Claims – This was not in the Executive Nurse Directors diary and it is unclear on what was required.

AC 18/081

ITEMS TO BE DEFERRED TO BOARD/OTHER COMMITTEE

No other items were deferred to the Board or other Committee

AC 18/082

ANY OTHER URGENT BUSINESS

There was no other urgent business

AC 18/083

DATE OF THE NEXT MEETING OF THE BOARD

The next Audit Committee meeting would be held at **9.00am** on **26TH February 2019** in the Corporate Meeting Room, Headquarters, UHW