

**CONFIRMED MINUTES OF THE AUDIT COMMITTEE
HELD ON 31 MAY 2018
IN THE CORPORATE MEETING ROOM, HEADQUARTERS, UHW**

Present:

John Union	Independent Member – Finance (Vice Chair – Audit)
Charles Janczewski	UHB Vice Chair
Dawn Ward	Independent Member, Trade Union

In Attendance:

Maria Battle	UHB Chair
Carol Evans	Assistant Director of Patient Safety & Quality
Craig Greenstock	Counter Fraud Manager
Christopher Lewis	Deputy Director of Finance
Ian Virgil	Deputy Head of Internal Audit
James Johns	Head of Internal Audit
John Herniman	Wales Audit Office
Mark Jones	Wales Audit Office
Martin Driscoll	Executive Director of Workforce and Organisational Development
Peter Welsh	Director of Corporate Governance
Richard Hurton	Head of Financial Accounting
Paula Davies	Lead Nurse in Community Child Health
Cath Heath	Nurse Director, Children and Women Clinical Board

Glynis Mulford

Secretariat

Observers:

Alexandra Wicks	Graduate Manager Trainee
Hattie Cox	Financial Manager Graduate Trainee

Apologies:

John Antoniazzi	Independent Member and Chair, Audit Committee
Robert Chadwick	Director of Finance
Graham Shortland	Medical Director

AC: 18/017 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone present to the meeting and thanked those who were scheduled to attend the meeting on 22 May 2018 but had to be cancelled. A warm welcome was extended to the graduate trainees in attendance.

AC: 18/018 APOLOGIES FOR ABSENCE

Apologies for absence were noted.

AC: 18/019 DECLARATIONS OF INTEREST

The Chair invited Members to declare any interests in the proceedings. Mr Charles Janczewski stated that he was Chair of the WHSSC Quality and Patient Safety Committee.

AC: 18/020 UNCONFIRMED MINUTES OF THE MEETING HELD ON 24 APRIL 2018

The Committee **RECEIVED** and **APPROVED** the minutes of the meeting held on 24 April 2018.

AC 17/121 - Business Continuity Plan: It was asked whether this item should be on the workplan. In response it was explained that the action was to ensure that it was agreed to undertake a follow up audit in 2018/19 as it had been deferred and then added back into the workplan. The report was on the agenda and was therefore referenced in two ways but the item was complete.

Concerns were raised in relation to setbacks on Internal Audit reports; what systems were in place to monitor the reports and who in the organisation takes charge by challenging the Internal Audit team that they are on track and delivering reports within an appropriate timescale. The Committee was informed that there was agreement on the current workplan for the current financial year which was factored throughout the year. There was an update on reports at each meeting being worked on and progress made and when they are expected to be finalised. The Audit Committee could also ask Internal Audit to make changes for additional work. It is then referred back to the original plan to ensure they are completed and provide assurance. If the assurance is not acceptable they are reviewed again. It was further explained that there were a few systems in place to provide assurance such as one to one meetings with the Director of Corporate Governance and the Director of Finance. In addition, a formal paper which monitors the reports was presented every few months to the Management Executive Team which highlighted areas that needed to be improved and did not meet the agreed timelines. This was also an opportunity to raise reports that may come through as Limited Assurance.

AC: 18/021 ACTION LOG FROM MEETING OF 24 APRIL 2018

The Committee **RECEIVED** and **NOTED** the Action Log from the meeting of 24 April 2018.

AC: 18/022 INTERNAL AUDIT PROGRESS REPORT

The Head of Internal Audit, provided an update on the overarching Progress Report. This incorporated a full detail of the plan set out throughout the year. The following key points were highlighted:

- The audit work had been substantially completed and was in progress of finalising the outstanding reports, which would come forward to a future meeting.
- In regard to Shaping our Future Wellbeing, it was asked for the delay to be clarified. It was explained that part of the programme of work around the capital estates was delivered by the specialist services team. There were a few assignments scheduled for the end of year which had run over in terms of delivery and completion.
- In regard to the query referenced to the Business Continuity follow-up which had not been fully actioned and the reasons this had not been completed. It was stated the rating had moved up from limited to reasonable assurance. Progress had been made and a report would come back through the Committee for a follow-up and the remaining action was regarding timing of fully embedding plans consistently across the Health Board. For added assurance the Audit Committee would ask management to fully action and embed the plan across all Clinical Boards.
- It was stated it was encouraging to see a high number of reasonable and substantial reports. Concern was raised around the follow-up Limited Assurance reports and whether they were being dealt with in a realistic timescale.
- It was asked for more robust systems to be in place and how would these be tracked. In response it was stated, that the Health Board would be introducing a report to address both internal and external audit reports. This new process would be on a national basis and was currently being trialled in another Health Board. It was envisaged to be implemented in the autumn.
- It was commented the Limited Assurance reports ought to be treated separately as the Committee should be reassured around these being progressed further. Assurance was needed operationally that things were being progressed, to ensure systems in place are robust.
- In describing the process it was stated, the Limited Assurance ratings are reported to Welsh Government and operational matters go through Management Executive. In addition, Executive Director Leads attend meetings to provide the Committee with assurance of actions and changes made. This will be monitored over the next six months.

ACTION: **The Audit Committee to ask Lead Executive to ensure that the Business Continuity Plan is delivered during the course of the year in all Clinical Boards**

Continuing Healthcare Follow-up – Limited Assurance: The Deputy Head of Internal Audit presented the report which highlighted eight points. It was explained the

purpose of follow-up review was to see any progress made against the initial review in May 2017. Regarding the overall progress of agreed actions, three were fully implemented, two partially and three were not implemented. This led to the overall rating of Limited Assurance. The main reasons for the rating were in relation to the three outstanding actions which still need to be implemented. It was recognised the work with other agencies and underlying reasons caused delay in regard to implementing the actions. The original review looked at Continuing Health Care across the whole Health Board. There will be two separate follow-up audit looking at child and adult separately to assess progress being made, which may give a more useful assurance to the Audit Committee and Health Board overall. There had been discussions with management who provided a detailed update on progress. It was acknowledged that things were progressing and deadlines in place.

Paula Davies, Lead Nurse in Community Child Health, informed the Committee that within children's continuing care there was a difference between adults continuing health care and indicates continuing care is a multi-agency approach. Children's continuing care was devolved from PCIC to Children and Women's Clinical Board in 2012. In terms of guidance there was also a difference. It was explained with children there is Welsh Government guidance around continuing care and for adults there was a framework. Because the children's element is a guidance rather than a framework it was encountering increasing challenges from partners as the guidance was not legally binding.

Regarding audit feedback there was no local policy that fell out of the guidance and contracting was not robust enough. Welsh Government were currently revising guidance issued in 2012.

In terms of operational policy and lack of a process written down, the clinical board found themselves engaged in disputes between partners. It was decided to jointly commission a piece of work led by an independent reviewer to take on a piece of work to be agreed by all agencies involved in producing a joint operational policy. The timescales and complexity had drifted because of the scope of work involved. The draft operational joint agreement was being circulated to heads of service and verbally reported to the Disabilities Future Programme on 18 June. This will go to an extraordinary meeting with Vale and Cardiff Councils on 26 June where it was envisaged there will be final timescales around agreement. The Equality Health Impact Assessment (EHIA) had been finalised and once accepted, the document will provide a working agreement across councils for the whole process regarding children's continuing care.

Regarding actions pertaining to key performance indicators, a dashboard has been developed and reported into the monthly directorate management meeting. There were issues around timescales and guidance, some of this related to resource. In addition, when continuing care devolved from PCIC to Children and Women Clinical Board there were no team nurse assessors and was looking at how this can be improved. Within the audit, the Clinical Board was positively commended as every child in a non NHS placement had been reviewed in the past 12 months.

The other issue was in regard to contracting and lack of Service Level Agreements. This was complex as the contracts were held by councils in 95% of cases of children's continuing care but the Health Board contributed to the funding. The outcome was the Clinical Board had developed their own policy and SLA which was issued to providers.

In terms of timescales, because the audit was led by PCIC the Clinical Board did not have control over the timescales and would ask for consideration for this to be a separate process for children.

It was discussed and commented:

- The independent report for guidance was a great step forward.
- The independent reviewer had met with Welsh Government.
- The Clinical Board was commended for children being reviewed 12 months both in and out of county.
- Members stated whether a realistic timescale had been set regarding the difficulties and challenges encountered. In looking at the next follow-up there was a need to plan carefully in giving enough time for the work to be completed. Also, for sight of the action plan to be presented at the next Audit Committee meeting in order to give assurance progress was being made. It was suggested, in order to add an independent perspective for the timescales to be set with the Lead Executive and Chair of Audit Committee.

ACTION: For CHC action plan with timescales to be set with completion dates by Lead Executive and Chair and presented at next Committee meeting

Consultant Job Planning – Limited Assurance: The Deputy Head of Internal Audit stated the report was to establish if processes and progress was being made. The summary of limited assurance was given following detailed testing there was lack of evidence of robust annual job planning. The sample showed out of 28 consultants only 10 received a job plan review in the past 12 months. In looking at the detail of job plans below review, every consultant should have a job plan in place and six consultants were unable to give a copy of their job plan and were unable to gain assurance that they had a job plan in place. The remaining 22 showed a wide variety of detail within the job plans and lack of consistency and format and deficiency in content of job plans. It was emphasized that the Health Board does have standard documentation recommended in the guidance and was used in the majority of cases. Through discussion with the Medical Director, there was an agreement to respond in addressing the issues. There was also agreed timescales with the Medical Director to ensure these were appropriately in place. Although the rating was limited, there were positive views outlined in the report.

It was discussed and commented:

- The findings were very similar with Wales Audit Office in regard to not following guidance and not obtaining benefits in all cases. There was a history of a series of recommendations coming forward and this was a recurrent issue.

- Concerns were raised in regard to this area being addressed and the outcome being another limited assurance rating. It was suggested for there to be a deep dive into this issue as it was essential to present an image that the best resources were being used and that the recommendation was fully supported.
- Also raised was there being a history of recommendations not acted on. It should show operationally the recommendations were being implemented in order to give the Committee assurance.
- There were difficulties in receiving information and what was collated was not robust.
- The report reflected roles and responsibilities of clinical leaders not discharging what they should be doing and was not good for the profession.
- To invite the Medical Director to the Committee to present what the challenges are.
- The Management Responses show actions should be completed in three months' time and recommend the Audit Committee have sight of plan. If it could not be implemented within the timescale, there was a need to be realistic of how long it would take.
- A complete update should be presented to Committee in six months' time.
- To encourage the Medical Director to sit with Chair and Internal Audit to ensure the work can be completed.
- Consequences on incomplete Job Plans should be raised in monthly reviews. In the absence of the Medical Director, Martin Driscoll agreed to feedback discussion to Medical Director and agreed actions.

ACTION: Director of WOD to feedback discussion to Medical Director

ACTION: Medical Director to be invited to next Committee meeting to review progress made and for a complete update to be presented at the December 2018 meeting.

ACTION: Wales Audit Office report on Consultant Contracts issued September 2016 to be circulated prior to next Audit Committee meeting

ACTION: Audit Committee to have sight of Action Plan and for timescales of work to be reviewed with Lead Executive and Chair of Audit Committee

The Committee:

- **CONSIDERED** and **NOTED** the Progress Report Against Plan

AC: 18/023 REPORT OF THE LOSSES AND SPECIAL PAYMENTS PANEL

Mr Christopher Lewis, Deputy Finance Director, said that in the Standing Financial Instructions, the Audit Committee was required to write off losses and special

payments. The Panel met twice a year and last met on 16 May and this ties in with the Annual Accounts. The report set out recommendations regarding losses and write offs in respect of bad debts with clinical negligence, personal injury claims, small claims, employment tribunals and damaged, obsolete and lost stock.

It was discussed and commented:

- In response to the Committee having regular sight of a breakdown of clinical negligence and personal injury losses it was stated this could be brought to the next meeting. It was noted that the Concerns Dept. lead in this area.
- There was further discussion on how the monies were reimbursed and the all Wales process for agreeing claims. The Health Board assured Welsh Risk Pool that robust processes were in place before the Health Board is reimbursed and to ensure these issues will not happen and lessons learnt.
- There will be more claims information around lessons learnt which will be taken to the Quality and Safety Committee.
- Regarding personal Injury claims, these go through the Health and Safety Committee for monitoring and assurance.
- It was suggested a joint paper could be presented by finance and concerns.

ACTION: A breakdown of clinical negligence claims will be brought to next Committee

The Committee:

- **APPROVED** the write off of the losses and special payments outlined in the assessment section of this report
- **NOTED** the minutes of the 16 May 2018 meeting of the Losses and Special Payments Panel

AC: 18/024 ITEMS FOR INFORMATION

Items for Information were **NOTED**.

AC: 18/025 REVIEW OF MEETING

There were no items to be reviewed.

AC: 18/026 URGENT BUSINESS

There was no urgent business.

AC: 18/027 DATE OF NEXT MEETING

The next Audit Committee meeting is scheduled to take place at **9.00am** on **Tuesday, 25 September 2018** in the Corporate Meeting Room, Headquarters, UHW