

**CONFIRMED MINUTES OF AUDIT COMMITTEE
HELD ON 23 APRIL 2019
CORPORATE MEETING ROOM, HEADQUARTERS,
UNIVERSITY HOSPITAL WALES**

Present:

John Union	JU	Chair - Audit
Eileen Brandreth	EB	Independent Member - ICT
Charles Janczewski	CAJ	UHB Vice Chair
Dawn Ward	DW	Independent Member – Trade Union

In attendance:

Stuart Bodman	SB	Internal Office
Michael Bond	MB	Director of Operations – Surgery (<i>For item 19/04/007</i>)
Robert Chadwick	RC	Director of Finance
Steve Curry	SC	Chief Operating Officer
Rhodri Davies	RD	Wales Audit Office
Nicola Foreman	NF	Director of Corporate Governance
Craig Greenstock	CG	Counter Fraud Manager
Geraldine Johnston	GJ	Director of Operations – Medicine (<i>For item 19/04/007</i>)
Mike Usher	MU	Wales Audit Office
Ian Virgil	IV	Interim Head of Internal Audit

Secretariat:

Glynis Mulford	GM	Corporate Governance Officer
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Observer:

Urvisha Perez	UP	Wales Audit Office
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AC: 19/04/001	WELCOME AND INTRODUCTIONS	ACTION
	The Chair welcomed everyone to the meeting.	
AC: 19/04/002	APOLOGIES FOR ABSENCE	
	Apologies for absence were noted.	
AC: 19/04/003	DECLARATIONS OF INTEREST	
	Charles Janczewski declared his interest as Chair of the Quality and Patient Safety Committee at WHSCC.	
AC: 19/04/004	MINUTES OF THE AUDIT COMMITTEE HELD ON 26 FEBRUARY 2019	
	The Minutes from the meeting held on 26 February 2019 were reviewed.	
	Resolved - that:	

<p>AC: 19/04/005</p>	<p>The Committee approved the minutes of the meeting held on 26 February 2019.</p> <p>ACTION LOG FOLLOWING THE LAST MEETING HELD ON 31 JANUARY 2019</p> <p>The Committee received the Action Log from the meeting held on 26 February 2019, which were as follows:</p> <p>AC: 18/071 – Wales Audit Report on Medical Equipment: The Chair had spoken with the Director of Therapies and Health Sciences who reported she was working with the team on the inventory which held an enormous number of items. Also the Chair had spoken to the Clinical Lead, Professor Colin Gibson and the Managing Director, All Wales Genomics Service. The group was looking to bring two IT systems together to try and gather a list of items procured that cost under £5k. The data would be put into a workable format to provide more information. A report would be brought back to a future meeting and continue to liaise with the Wales Audit Office.</p> <p>Resolved – that:</p> <ul style="list-style-type: none"> a) A report be brought to a future meeting b) The Chair would continue to liaise with the Wales Audit Office 	<p>FJ</p>
<p>AC: 19/04/006</p>	<p>CHAIRS ACTION TAKEN SINCE LAST MEETING</p> <p>The Chair provided a summary of the discussions of the private session of the Committee held on 26 February 2019. The following comments were made:</p> <ul style="list-style-type: none"> ▪ Discussed the Procurement Compliance Report and considered the Single Tender Actions and was assured that all STAs were challenged and reviewed. ▪ Received the Counter Fraud Progress Report where the high risk areas were reviewed and provided an overview of the draft Annual Plan. ▪ Discussed the Workforce and Organisational Compliance Report and agreed measures put in place were to ensure Agenda for Change arrangements were complied with. 	
<p>AC: 19/04/007</p>	<p>INTERNAL AUDIT PROGRESS AND TRACKING REPORT</p> <p>The Interim Head of Internal Audit provided an overview against the Internal Audit 2018/19 plan. The following comments were made:</p>	

- There were a number of planned audits delayed but these would be finalised in time for the Annual Report. A final report would be presented at the May meeting. No concerns had been highlighted and the remaining reports neared the draft stage. This would not affect the overall opinion.
- Eight reports had been finalised with two substantial and six achieving a reasonable rate.
- The remainder of the plan was highlighted with eight reports from 2018/19 plan being deferred to the 2019/20 plan. This was deemed appropriate to do so. The remaining 46 reports were split across the eight domains.
- Regarding Limited reports, one report was in draft relating to compliance with water. Further discussion would be held with the Executive lead for this area which could move it from a limited assurance through discussion and final agreement.
- The other seven audits were likely to be reasonable assurance for the year end opinion. This would be in line with previous years.
- The plan for 2019/20 had been produced and gone through the Management Executive team for discussion.
- The Health Board needed to improve its timeliness in responding to signing off the reports and to provide assurance from the Executive Team for the turnaround to be more efficient. Although this area had improved and were moving in the right direction.
- The Internal Audit team was commended for the layout of the report. Members stated they received assurance from report as it was very balanced to read.

Surgery Clinical Board – Medical Finance Governance Report:

The Director of Operations for Surgery informed the Committee there had been real learning from the audit undertaken. Processes had been put in place such as Standard Operating Procedures. The following comments were made:

- Regarding group Job Planning it was raised whether there were set processes to monitor and record the consultant's activities.
- There had been issues around consultants not undertaking clinics and there was a change in job planning with junior doctors covering clinics.
- A group job plan with a 'buddy up' scheme was in place for upper GI surgeons and colectoral surgeons so there would always be someone available on call. Although there had been challenges with changes in management there was good governance and a SOP developed so that people would know what to do when someone was on leave.
- It was encouraging to see the level of engagement and motivation from Clinical Directors across all departments who had taken this seriously and was designing decisions to go forward. This would be addressed further through formal performance reviews.

- The main lessons learnt for this not to be repeated was good governance and good documentation and incorporating a standardised approach.
- There was a detailed follow-up report but time would be needed to give the Clinical Board time to embed the new procedures.
- The Committee was assured from the views of Clinical Directors and the need to have procedures embedded.

Internal Medicine Follow-up Final Report: The Chief Operating Officer introduced the report and informed the Committee that the first audit was undertaken in November 2017 with changing arrangements within the Clinical Board including the Director of Operations. The Clinical Board was more stable and maturity was seen coming through. The Director of Operations for Medicine stated the Clinical Board was on a better footing and did not carry on unacceptable behaviours and actions.

- Things were moving forward with 71% of staff completing their PADR. As from March an improved governance structure was in place for director reviews. In addition, more robust process and procedures had been developed and embedded with the team. This provided people with meaningful opportunities and enabled staff to realise their value. Opportunities for training were available for staff.
- The cultural shift was significant and the directorate had good leadership capability and processes to hold people to account.
- The internal audit report had been discussed at the operational meeting and Clinical Board.
- Measures were in place with more due diligence around tracking and there was confidence this would improve significantly, acknowledging there were some milestones to complete but was moving in the right direction.
- The Director of Operations for Medicines was commended for her reputation and the work the team had undertaken.
- The Committee asked for assurance this would be put right with suitable timescales for follow up review and more frequent updates.
- There was the opportunity to link in with the Chair on a monthly basis.
- Monitoring would be kept in place and intervention with the lead nurse should be able to demonstrate month on month improvement.

Resolved - that:

- a) The Committee considered the internal progress report.

AC: 19/04/008

WALES AUDIT OFFICE PROGRESS REPORT

Mike Usher, Wales Audit Office, presented an overview of the report. This incorporated updates on the financial audits. He stated that there would be increased testing on fixed assets this

year. Work underway was also highlighted and Wales Audit Office would be working on a project with the Director of Public Health on the Future Generations Wellbeing Act. In addition, work being scoped would commence towards the end of the year around quality governance and quality work.

There was a Discharge Planning checklist on line to help with assurance and the UHB may want to have a discussion on how best to use this service. This was across the board but excluded operating theatres.

The Future Generations Wellbeing Act was covered by 44 bodies and work would be undertaken across all of them. This would be to ensure the principles of the act were embedded in the organisation. A reflective piece of work would take place with a series of workshops. The outcome of the workshop would be to produce improvement actions.

Regarding the workplan for the IMT follow-up the WAO would liaise with the Director of Corporate Governance on timescales.

Resolved – that:

- a) The Committee noted the Wales Audit Office update

AC: 19/04/009

POST PAYMENT VERIFICATION REPORT

The Committee reviewed the report and queries were raised in the appendices as to the number of error rates and claim rates that were very high for some practices and what the PPV were doing regarding these. A report on these to be provided to the September meeting.

Resolved – that:

- a) The PPV Report be noted and an update to be provided on the error rates and claim rates to the September meeting of the Audit Committee

SC

AC: 19/04/010

DRAFT UNIVERSITY HEALTH BOARD ANNUAL REPORT AND ANNUAL GOVERNANCE STATEMENT

The Director of Corporate Governance provided an update on the Annual Report. This would be presented in three parts with the performance report and accountability report submitted together. The Annual Report would be circulated for members to provide input into the document which would go forward for approval by the Board at the end of May.

NF

Resolved – that:

- a) The Committee noted the update on Annual Report

<p>AC: 19/04/011</p>	<p>DECLARATIONS OF INTEREST AND GIFTS AND HOSPITALITY</p> <p>The Director of Corporate Governance presented the report and amendments were noted. This would go forward to the senior management team within clinical boards and was described as work in progress. A communications plan was also needed to raise awareness among staff and improve declarations of interest reporting.</p> <p>Resolved – that:</p> <ul style="list-style-type: none"> a) The Committee approved the declarations of interest report at Appendix 1 and b) Agreed to the declarations of interest made by Board members being published on the UHB website 	<p>NF</p>
<p>AC: 19/04/012</p>	<p>TRACKING REPORT FROM RECOMMENDATIONS FROM REGULATORY BODIES</p> <p>The Director of Corporate Governance presented an update on the report which had previously received a rating of Limited Assurance. Comprehensive work was being undertaken on the reports starting from April 2017. The following comments were made:</p> <ul style="list-style-type: none"> • A tracker had been developed for Welsh Health Circulars, Internal Audit Reports and Wales Audit Office Reports which had been agreed with the Executive Directors and would be tracked centrally through the Governance Department. The Committee would have sight of the dashboard and what was needed from each Director. • A high level dashboard would be presented in September to see how this worked. The dashboard would be tested with set parameters which could be pulled off the spreadsheet. • This was a positive piece of work and the governance arrangements were looking more robust. <p>Resolved – that:</p> <ul style="list-style-type: none"> a) The Committee agreed to the UHB adopting the dashboard approach developed by the CDT Clinical Board. A project plan would be developed taken to Management Executive and the Health Systems Management Board for consultation and approval 	<p>NF</p> <p>NF</p>
<p>AC: 19/04/013</p>	<p>ANNUAL AUDIT PLAN</p> <p>The interim Head of Internal Audit presented the above report which showed a detailed plan for the year as well as detail on the resource requirement and responsibilities of the Health Board. The</p>	

following comments were made on the key issues:

- To highlight how the plan was developed. This linked in to public sector standards to comply with when producing the plan and the process to go through those standards.
- There was a risk based approach highlighted through the Board Assurance Framework which was linked into ensure Internal Audit plan was achieving its objectives.
- Meetings were held with Executives and key management to discuss high risks and obtain granular information where assurance was weak.
- The eight assurance domains ensured it was covered and the plan spread across to provide the annual opinion for next year.
- The plans were incorporated with Wales Audit Office processes so there would not be duplication of work.
- The report highlighted the planned internal audit coverage and agreement from Executives on these areas had been received. Any amendments had been discussed with the Executives at time of review.
- The plan showed the audits that had been deferred and what was achieved through the number of days allocated. There was a contingency built into the plan if there was a need to do further assurance work or needed urgent cover the plan could be adjusted to accommodate this.
- The key performance indicators for Internal Audit were measured against the Internal Audit Charter.
- The report presented details of the audit reporting process and timescales and responses to be received.
- The Corporate Governance tracking system could be built in to monitor whether Internal Audits were behind.
- The team was thanked for their contribution.

Resolved – that

- b) The Committee approved the Internal Audit Plan for 2019/20

AC: 19/04/014

ITEMS FOR NOTING AND INFORMATION

The Committee resolved that the Internal Audit Reports for noting and information be received:

- Delayed Transfers of Care
- Ward Nurse Staffing Levels
- Capital Project - Rookwood Relocation
- PCIC Clinical Board – Interface Incidents
- Medicines Clinical Board – Sickness
- Absence Management Report
- Capital – CRI Safeguarding Works Report
- Commissioning Report
- E-IT Learning Report

AC: 19/04/015

ITEMS TO BRING TO THE ATTENTION OF THE BOARD / COMMITTEE

There were no items to report to the Board / other Committees

AC: 19/04/016

DATE OF THE NEXT MEETING OF THE AUDIT COMMITTEE MEETING:

Corporate Meeting Room, Woodlands House, Heath