

**CONFIRMED MINUTES OF THE AUDIT AND ASSURANCE COMMITTEE
HELD ON 23 MAY 2019
EXECUTIVE MEETING ROOM, WOODLANDS HOUSE**

Present:

John Union	Chair – Audit & Assurance Committee
Dawn Ward	Independent Member, Trade Union

In Attendance:

Robert Chadwick	Executive Director of Finance
Simon Cookson	Director of Audit and Assurance, NWSSP
Nicola Foreman	Director of Corporate Governance
Sharon Hopkins	Deputy Chief Executive/Director of Transformation and Informatics (for Cyber Security item)
Richard Hurton	Assistant Director of Finance
Mark Jones	Wales Audit Office
Christopher Lewis	Deputy Director of Finance
Mike Usher	Wales Audit Office
Ian Virgil	Deputy Head of Internal Audit

Secretariat:

Glynis Mulford	Corporate Governance Officer
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Apologies:

Eileen Brandreth	Independent Member - ICT
Craig Greenstock	Counter Fraud Manager
Charles Janczewski	UHB Vice Chair

AC: 19/05/001	WELCOME AND INTRODUCTIONS	ACTION
	The Chair welcomed everyone to the meeting and confirmed that it was quorate.	
AC: 19/05/002	APOLOGIES FOR ABSENCE Apologies for absence were noted.	
AC: 19/05/003	DECLARATIONS OF INTEREST There were no declarations of interest made.	
AC: 19/05/004	UNCONFIRMED MINUTES OF THE MEETING HELD ON 23 APRIL 2019 The Committee reviewed the Minutes of the meeting held on 23 April 2019.	

	<p>The Committee Resolved that:</p> <p>a) the minutes of the meeting held on 23 April 2019 be approved as a true and accurate record.</p>	
AC: 19/05/005	<p>COMMITTEE ACTION LOG</p> <p>The Committee reviewed the action log and noted the following:</p> <ul style="list-style-type: none"> • AC 19/04/012: Tracking Report from Recommendations from Regulatory Bodies: The log had been viewed at a meeting of Management Executives. Another session would be held with the executive team and rolled out thereafter. • AC 19/04/011: Declarations of Interest and Gifts of Hospitality: work was ongoing to implement the recommendations made by Internal Audit and the Standards of Behaviour audit would be subject to re-audit in a couple of months. • AC18/071: Wales Audit Report on Medical Equipment: An update would be brought to the September meeting. • AC 19/02/019: Limited Assurance Report on Medicine Clinical Board Internal Medicine Follow-up: As the Interim Medical Director was on annual leave a report would be brought back to the Committee in September 2019. <p>The Committee resolved that:</p> <p>a) the action log be noted.</p>	<p>NF</p> <p>IA</p> <p>FJ</p> <p>PD</p>
AC: 19/05/006	<p>CHAIR'S ACTION TAKEN SINCE LAST MEETING</p> <p>It was confirmed that there had been no Chair's Action taken since the last meeting.</p>	
AC: 19/05/007	<p>INTERNAL AUDIT PROGRESS REPORT</p> <p>The Interim Head of Internal Audit provided the Committee with an update on progress against the Internal Audit plan for 2018/19. It was confirmed that:</p> <ul style="list-style-type: none"> • six audits had been finalised since the Committee's last meeting and a further three audits had reached draft 	

	<p>report stage.</p> <ul style="list-style-type: none"> • Finalisation of four of the audits had been delayed. It was confirmed that these reports would now come to the September meeting. • The start of the review of <i>Performance Reporting Data Quality – RTT</i> had been delayed due to issues with audit resources. It was noted that this review would be moved to next year's plan. <p>Cyber Security – Limited Assurance:</p> <p>The Interim Head of Internal Audit introduced the report on Cyber Security and advised that the review had resulted in a 'limited assurance' rating. The following was highlighted:</p> <ul style="list-style-type: none"> • in October 2017, Stratia Consulting were commissioned by Velindre Trust, on behalf of NHS Wales, to carry out external cyber security assessments for its organisations. For each organisation, a cyber-security assessment report and security improvement plan (SIP) was produced. • the review focused on the governance and visibility of the Stratia assessment report and SIP. • in the main the actions contained within the Stratia report had not been progressed; leading to vulnerabilities not being addressed, in particular related to the use of old software and patching delays. This together with the lack of any active monitoring or vulnerability scanning meant that the UHB was potentially unaware of its security position. <p>The Committee Chair thanked the Deputy Chief Executive/Director of Transformation and Informatics for attending the meeting. In presenting the response to the report the Deputy Chief Executive/Director of Transformation and Informatics:</p> <ul style="list-style-type: none"> • acknowledged that the report was not an easy read and confirmed that there had been discussions at a committee level for some time regarding the work which was needed. • confirmed that significant restructuring within the IT department was ongoing. The consultation on the restructure would run for three weeks and recruitment to new posts would start in July 2019. It was noted that funding had been received from Welsh Government to 	<p>IA</p> <p>IA</p>
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	<p>support the Cyber agenda.</p> <ul style="list-style-type: none"> • confirmed that interim work was being undertaken to address some of the issues while recruitment was being taken forward. • advised that some of the equipment and software needed to improve the management of security incidents and to scan for vulnerabilities was being introduced. • noted that the team currently managing Cyber security had advised that the risks were not as acute as previously considered. It was confirmed that an internal review completed in relation to the software and hardware used in relation to patching, had helped to prioritise action. • reported that incidents were responded to in a timely manner, but acknowledged that there were issues to be addressed. • confirmed that preliminary work had been undertaken to ensure the UHB was safe and the UHB's IT and IG departments were working well with NWIS and other Health Boards. • highlighted that the cyber security issues were not unique to Cardiff and Vale UHB. It was confirmed that discussions regarding priorities were taking place at an all Wales level. • Advised that time was needed to allow the additional resources to be put in place and the action plan to be delivered. It was noted that the Cyber industry was a young one and individuals with the required knowledge and technical expertise were sought after and other Health Boards were recruiting to the same roles. As part of discussions in relation to this point it was suggested that the UHB link with Cardiff University's IT department. • emphasised that recruitment commenced in July 2019 and work would commence in September 2019. <p>The Interim Head of internal Audit confirmed that a 'follow-up' review would take place in 2019/20.</p> <p>The Committee Resolved that:</p> <p>a) the Internal Audit Progress Report be noted.</p>	IA
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<p>AC: 19/05/008</p>	<p>REPORT OF THE LOSSES AND SPECIAL PAYMENTS PANEL</p> <p>The Deputy Director of Finance introduced the report and noted that:</p> <ul style="list-style-type: none"> • the Losses and Special Payments Panel met twice in 2018/19 to review items that that fell into the categories of a loss or special payment. • the assessment section of the report prepared for the Committee set out the items that were being recommended to the Committee for write off. It was confirmed as part of these discussions that: <ul style="list-style-type: none"> - the UHB’s clinical negligence costs in 2018/19 were lower than in the previous year. - the obsolete or lost/damaged stock figure had increased in 2018/19, the main factor was the need to write off clinical monitoring equipment used across the UHB as the manufacturer had stopped supporting the software used. <p>The Committee Resolved that:</p> <ol style="list-style-type: none"> a) the report of the Losses and Special Payment Panel be noted b) the write offs outlined in the assessments section of the Report be approved. 	
<p>AC: 19/05/009</p>	<p>ITEMS FOR INFORMATION</p> <p>The Committee received the following Internal Audit reports for information:</p> <ul style="list-style-type: none"> • Strategic Planning and IMTP • Core Financial Systems • Estates Statutory Compliance • Water • Health and Care Standards <p>It was noted that the reports on E-Advice, UHB Transformation and MHRA compliance had not been finalised in time for the meeting. These audits had been given a ‘reasonable assurance’ rating and would be presented at the September meeting of the Committee.</p>	<p>IA</p>

	<p>The Committee Resolved that:</p> <p>a) the reports provided for information be noted.</p> <p>b) The 2018/19 internal audit reports still to be finalised would be considered at the September meeting of the Committee.</p>	IA
AC: 19/05/010	<p>ITEMS TO BE REFERRED TO THE BOARD OR A COMMITTEE</p> <p>The Committee agreed that there were no items to be referred to the Board or one of its Committees. It was noted that a summary of the meeting would be provided in the Chair's report to Board.</p>	
AC: 19/05/011	<p>URGENT BUSINESS</p> <p>There was no other urgent business.</p>	
AC: 19/05/012	<p>DATE OF THE NEXT MEETING OF THE COMMITTEE</p> <p>It was confirmed that the next Audit and Assurance Committee meeting was scheduled to take place at 9.00am on Tuesday, 30 May 2019, Executive Meeting Room, Woodland House, Heath, Cardiff CF14 4TT</p>	