

**CWM TAF MORGANNWG UNIVERSITY HEALTH BOARD**

**'UNCONFIRMED' MINUTES OF THE MEETING OF THE AUDIT & RISK COMMITTEE HELD ON 8 FEBRUARY 2021, AS A VIRTUAL MEETING WHICH WAS HELD VIA MICROSOFT TEAMS**

**PRESENT**

Ian Wells	-	Independent Member (Chair)
Jayne Sadgrove	-	Independent Member
Maria Thomas	-	Independent Member

**IN ATTENDANCE**

David Thomas	-	Audit Wales
Sara Utlej	-	Audit Wales
Mark Jones	-	Audit Wales
Steve Stark	-	Audit Wales
Paul Dalton	-	NWSSP – Internal Audit & Assurance
Emma Samways	-	NWSSP – Internal Audit & Assurance
Martyn Lewis	-	NWSSP – Internal Audit & Assurance (In part)
Matthew Evans	-	Head of Local Counter Fraud
Georgina Galletly	-	Director of Corporate Governance/Board Secretary
Steve Webster	-	Executive Director of Finance
David Jenkins	-	Independent Advisor to the Board (Observing)
Cally Hamblyn	-	Assistant Director of Governance & Risk
Alan Lawrie	-	Director (In part)
Gareth Robinson	-	Interim Chief Operating Officer (In part)
Clare Williams		Interim Director of Planning & Performance (In part)
Sharon O'Brien		Assistant Director of Nursing & Peoples Experience (In part)
Debbie Bennion		Deputy Executive Nurse Director (In part)
Dom Hurford		Interim Deputy Medical Director (In part)
Mark Townsend		Head of Clinical Audit & Quality Informatics (In part)
Patsy Roseblade		Observing
Emma Walters		Corporate Governance Manager (Committee Secretariat)

## **PART 1. PRELIMINARY MATTERS**

### **1.1.0 WELCOME AND INTRODUCTIONS**

The Chair **welcomed** everyone to the meeting, particularly Patsy Roseblade who had been appointed as the new Independent Member for Finance and was observing the meeting prior to her commencement on 1 March 2021.

The Chair extended his thanks to Paul Griffiths, former Independent Member and former Chair of the Audit & Risk Committee for the support he had provided throughout his time as a Board Member and wished him well for the future.

The Chair advised that a number of colleagues would be attending the meeting in part to take part in discussions on their respective reports.

The Chair reminded Members of the Consent Agenda process which had once again been implemented for this meeting. The Chair also explained the process that would be followed in relation to any Committee Referrals that the Committee wished to make during the meeting.

### **1.2.0 APOLOGIES FOR ABSENCE**

Apologies for absence had been received from Hywel Daniel, Interim Director of Workforce & Organisational Development.

### **1.3.0 DECLARATIONS OF INTERESTS**

There were no interests declared.

## **PART 2. CONSENT AGENDA**

The Chair asked whether Members wished to move any item on the Consent Agenda to the 'Main Agenda'. No changes to the Consent Agenda were required.

### **2.1 FOR APPROVAL**

#### **2.1.1 'UNCONFIRMED' MINUTES OF THE AUDIT & RISK COMMITTEE MEETING HELD ON 14 DECEMBER 2020**

Resolution: The minutes were **APPROVED** as a true and accurate record.

## **2.1.2 AUDIT & RISK COMMITTEE ANNUAL CYCLE OF BUSINESS**

A question was raised by an Independent Member prior to the meeting, as outlined within Appendix 1 together with the response provided.

Resolution: The Annual Cycle of Business was **APPROVED**.

## **2.1.3 PROCUREMENTS AND SCHEME OF DELEGATION REPORT**

A number of questions were raised by an Independent Member prior to the meeting, as outlined within Appendix 1 together with the response provided.

Resolution: The report was **NOTED**;  
The Revised Financial Control Procedures were **APPROVED**;  
The latest version of the NHS Wales Shared Services Partnership No Purchase Order No Pay Policy was **APPROVED**.

## **2.1.3 END OF YEAR REPORTING ARRANGEMENTS**

Resolution: The report was **NOTED**;  
The Proposed Arrangements for end of year Corporate Governance Reporting was **APPROVED**.

## **2.2 FOR NOTING**

### **2.2.1 ACTION LOG**

Resolution: The Action Log was **NOTED**.

### **2.2.2 AUDIT & RISK COMMITTEE FORWARD WORK PROGRAMME**

Resolution: The Committee Forward Work Programme was **NOTED**.

### **2.2.3 DECLARATIONS OF INTEREST REGISTER AND GIFTS AND HOSPITALITY REPORT**

Resolution: The report was **NOTED**.

### **2.2.4 LOSSES AND SPECIAL PAYMENTS**

Resolution: The report was **NOTED**.

## **3.0 MAIN AGENDA**

**3.1.0 MATTERS ARISING NOT CONSIDERED WITHIN THE ACTION LOG**

There were no matters arising reported.

**4.0 INTERNAL AUDIT**

**4.5.0 INTERNAL AUDIT REVIEW – CHILD & ADOLESCENT MENTAL HEALTH SERVICES (CAMHS) MANAGEMENT ARRANGEMENTS**

*A Lawrie and G Robinson were in attendance for this item.*

E Samways presented the report which had received a Limited Assurance rating. Members **NOTED** that three Audit Opinions had been given which related to Governance and Assurance (Limited Assurance), Workforce Management (Limited Assurance) and Planning & Performance (Reasonable Assurance). 16 recommendations had been made, which included seven high, six medium and three low risk recommendations.

In responding to the report A Lawrie advised that all recommendations had been accepted by the new CAMHS Head of Service and advised that a number of recommendations had been completed, with the majority of the rest due for completion by end of March 2021. Members **NOTED** that steps had been taken to improve Governance structures over the last three years with further improvements to be made moving forwards.

M K Thomas advised that whilst there was some improvement required, it would need to be recognised that the service was currently in the process of being reviewed and the new Management Team would need to be given the opportunity to manage the plan moving forwards. In response to a question raised by M K Thomas, E Samways confirmed that a follow up review would be undertaken in next year's audit plan.

J Sadgrove advised that whilst she was concerned to have received a Limited Assurance report she welcomed the management response which she felt was proactive and coherent and was pleased to see that recommendations had been accepted.

Resolution: The report was **NOTED**.

**4.6.0 INTERNAL AUDIT REVIEW – CAMHS COMPLIANCE ARRANGEMENTS**

*A Lawrie and G Robinson were in attendance for this item.*

E Samways presented the report which had been allocated a reasonable assurance rating. Members **NOTED** four recommendations had been made, two of which were high priority and related to budget monitoring.

Resolution: The report was **NOTED**.

#### **4.7.0 INTERNAL AUDIT REVIEW DATA QUALITY – PATIENT PATHWAY APPOINTMENT MANAGEMENT – FOLLOW UP**

*C Williams and G Robinson were in attendance for this item.*

P Dalton presented the report which is a follow up report following the limited assurance report issued in October 2019. Members **NOTED** that the follow up review had been allocated a Limited Assurance rating with the review identifying that a number of issues had not been moved forward as a result of the impact of the Covid-19 pandemic.

C Williams advised that the management response provided an overview of how the Team intended to take forward the recommendations and added that this had now been tailored to the new management model which would enable this work to be progressed.

M K Thomas advised that whilst she was disappointed to read that no further progress had been made, however, she fully understood the pressures of Covid and the impact this had on the ability to take this forward.

Resolution: The report was **NOTED**.

#### **4.1.0 INTERNAL AUDIT PROGRESS REPORT**

P Dalton presented the report which provided an update on the current position in relation to the work being undertaken by Internal Audit, an update in relation to progress made against individual assignments and also provided an update in relation to the delivery of the 2020/2021 plan.

Members **NOTED** that a number of reviews planned for 2020/2021 would now be undertaken in 2021/2022, including the Review of Governance Arrangements – Committee Review, Recruitment and Retention of Staff, the Quality & Patient Safety Governance Framework and planned follow up reviews in relation to Medical Rostering and Consultant Job Planning.

In relation to Medical Rostering and Consultant Job Planning, M K Thomas advised that whilst it would be important for follow up reviews to be undertaken, the Team would need to be given time to ensure processes and systems were in place before the follow up was undertaken. Members **NOTED** that the Medical Director supported the deferral of these reviews into 2021/2022.

In response to assurance sought from M K Thomas as to whether there would be an opportunity to undertake the above reviews within next year's plan, P Dalton advised that the plan would need to be risk based and advised that he would aim to present the 2021/2022 plan to the next meeting and added that the plan may require a refresh in the summer to ensure the right risks were being focussed on. P Dalton apologised for the error contained on page 4 of the report and confirmed that the 100% reported against performance was not correct.

Resolution: The report was **NOTED**.

### 4.2.0 INTERNAL AUDIT REVIEW – RISK MANAGEMENT

E Samways presented the report which had been given a reasonable assurance rating. Members **NOTED** that five recommendations had been made, one high, two medium and two low priority findings. G Galletly welcomed the report which she found to be very fair and recognised the progress that had been made at pace and expressed her thanks to C Hamblyn and Integrated Locality Group colleagues for the work that had been undertaken.

J Sadgrove advised that she was also pleased to see the progress that had been made and the way in which the new approach to risk had been adopted across the organisation. J Sadgrove highlighted that the report identified issues in relation to escalation of risks into Clinical Service Groups and added that she felt there was an opportunity to consider role based training needs analysis as not all staff would require in depth knowledge of risk.

In response to the questions raised by J Sadgrove, C Hamblyn advised that regular meetings were being held with Integrated Locality Group colleagues to discuss risks and added that a Training Needs Analysis had been drafted and was currently being considered by Integrated Locality Group colleagues as to whether this would be something they would wish to test.

M K Thomas recognised the progress that had been made to date and recognised that further progress was still required. C Hamblyn

advised that a discussion had been held with Audit Wales colleagues in relation to moving towards a Strategic Risk Register as opposed to an Operational Organisational Risk Register which would likely be achieved towards the end of this calendar year.

In response to a question raised by I Wells, C Hamblyn confirmed that she had already aligned the Terms of Reference for the Planning, Performance and Finance Committee and Population Health & Partnerships Committee to the Risk Management Strategy in relation to their remit for reviewing the risks assigned to the Committees

Resolution: The report was **NOTED**.

### 4.3.0 INTERNAL AUDIT REVIEW – IT SERVICE MANAGEMENT

Martyn Lewis presented the draft report which had been given a Limited Assurance rating. Members **NOTED** that 12 recommendations had been made, three high, seven medium and two low priority. Members **NOTED** that whilst a management response had not yet been received, the report had been agreed for factual accuracy by Management.

M K Thomas advised that she had been disappointed to have received the report and sought clarity as to whether this would need to be referred to the Digital & Data Committee for ongoing Monitoring of the plan once the Management Response had been received. G Galletly advised that it would be reasonable to ask the Digital & Data Committee to monitor and review the management response and added that this would still need to be added to the audit tracker for ongoing monitoring.

J Sadgrove advised that she was also disappointed to have received the report which identified that IT services needed to be improved, with structure required alongside clear procedures. J Sadgrove advised that she looked forward to seeing progress being made in this area.

Resolution: The report was **NOTED**.

**Action:** Report to be shared with the Digital & Data Committee for monitoring and review of the management response.

### 4.4.0 INTERNAL AUDIT REVIEW – IT ASSESSMENT

M Lewis presented the report which was a baseline review and had not been allocated an assurance rating as a result. Members **NOTED** that observations and recommendations had been provided

to facilitate change and improvement and to focus audit work in the future. I Wells welcomed the report which he had found to be very informative and identified areas of improvement as well as areas of best practice being undertaken.

J Sadgrove advised that she welcomed the use of the COBIT Assessment tool which was used to undertake this review and added that she found the spider diagram on page 6 of the report to be helpful. J Sadgrove added that she felt concerned regarding PCI/DSS compliance and hoped this would be addressed as a matter of urgency and she also felt concerned regarding the management response which she felt did not address some of the recommendations that had been made. I Wells agreed that he also felt that the management response needed to be strengthened in some areas.

Following discussion and concerns raised by Members regarding the Management Response, G Galletly **agreed** that this report should be shared with the Digital & Data Committee where assurance would be sought from the Executive Lead in relation to the Management Response and the ongoing monitoring of actions. It was proposed that the ongoing monitoring of actions should be undertaken by the Digital & Data Committee.

Resolution: The report was **NOTED**.

**Action:** Report to be shared with the Digital & Data Committee to obtain assurance from the Executive Lead in relation to the management response and the ongoing monitoring of actions.

### **EXTERNAL AUDIT**

#### **5.1.0 AUDIT WALES PROGRESS REPORT**

D Thomas presented the report and advised that the Team were maintaining a high degree of flexibility on the programme during the Covid-19 pandemic. M Jones advised that in relation to the Accounts, the Funds held in Trust Accounts had been approved and certified and had been submitted to the Charity Commission.

Resolution: The report was **NOTED**.

#### **5.2.0 AUDIT WALES ANNUAL AUDIT PLAN 2021**

D Thomas presented the report and advised that the audit plan was being submitted without the audit fee, which was in the process of being finalised. Members **NOTED** that Audit Wales would write to



the Health Board separately to outline the previous year's outturn and the fee for next year.

Members **NOTED** the update provided in relation to the financial audit section of the report and **NOTED** that the Audit & Risk Committee and Board would meet on 9 June 2021 to consider and approve the Annual Accounts.

In relation to the performance audit, Members **NOTED** that the Structured Assessment for next year would be undertaken in two phases and space had been created in the plan for any Covid specific pieces of work that may need to be undertaken.

In response to a question raised by M K Thomas in relation to the Joint Review of Quality Governance Arrangements, D Thomas advised that a re-audit may need to be undertaken at some point following the submission of the outcome of the follow-up review in February 2021.

M Jones **agreed** to correct the error contained in exhibit one on page 6 of the report and confirmed that this should read August 2020 and not August 2021.

Resolution: The report was **NOTED**.

**Action:** Error to be corrected in exhibit one on page 6 of the report by Audit Wales.

### **5.3.0 AUDIT WALES REPORT – DOING IT DIFFERENTLY, DOING IT RIGHT – GOVERNANCE IN THE NHS DURING THE COVID-19 CRISIS**

D Thomas presented the report which provided an All Wales summary of Structured Assessments.

Members welcomed the report which they found to be very interesting and welcomed the innovation that was being undertaken.

G Galletly confirmed that the report had been received and discussed at the Board Secretaries group and added that there were similarities as a result of Health Board's working together throughout the pandemic. G Galletly added that a lot of the reflection undertaken was after the second wave of Covid.

In response to a question raised by J Sadgrove as to whether consideration had been given to holding in person meetings moving

forwards, D Thomas advised that he would expect there to be a blended approach moving forwards as there were some elements of human interaction which could not be replicated virtually. G Galletly added that whilst the Health Board would wish to continue with live broadcasting of its Board meetings, this could be undertaken whilst also holding in person meetings.

Resolution: The report was **NOTED**.

## **INTERNAL CONTROL AND RISK MANAGEMENT**

### **6.1.0 UPDATE ON WELSH RISK POOL REIMBURSEMENTS/CLAIMS MANAGEMENT PROCESSES**

S O'Brien presented the report which provided Members with an update on progress made in relation to Welsh Risk Pool Reimbursements and Claims Management processes.

In response to a question raised by M K Thomas, S O'Brien advised that the Taskforce were working hard to ensure all Learning from Events Reports alongside the Case Management reports were submitted by 8 March 2021. S Webster added that in relation to penalties for late submission, penalties that had already been levied would remain in place, with the remaining penalties being rescinded if all reports were submitted by 8 March 2021. M K Thomas extended her thanks to S O'Brien for the update which provided the Committee with assurance and added that the Committee would continue to monitor progress closely.

In response to a question raised by J Sadgrove as to whether systems had been put into place to stop these issues from re-occurring, S O'Brien confirmed that fortnightly meetings were now being held with the Finance Team to discuss cases and monthly deep dives were also being held with Claims Handlers in relation to all post six day claims. Members **NOTED** that a Shared Learning Committee had also been established with the first meeting being held on the 17<sup>th</sup> February.

Resolution: The report was **NOTED**.

### **6.2.0 ORGANISATIONAL RISK REGISTER**

C Hamblyn presented the report. Members **NOTED** that the report had also been received at the Board in January 2021 together with the Risk Management Strategy which was approved. Members **NOTED** that meetings had been held with Integrated Locality Group colleagues to discuss the prioritisation and review of risks scored 20 and above.

M K Thomas welcomed the progress made to date and sought clarity as to whether the risks could be numbered against the heat map. C Hamblyn **agreed** to review the format for representing the consequence and likelihood rating.

Resolution: The report was **NOTED**.

**Action:** Review to be undertaken of the format of the report to determine a more clear way of presenting the information.

### 6.3.0 AUDIT TRACKER

G Galletly presented the report. Members **NOTED** that following concerns raised by Independent Members previously in relation lack of pace, a series of meetings had been arranged between Executive Leads and Internal/External Audit colleagues to review the outstanding recommendations to determine whether the management actions were still applicable and whether recommendations could be closed.

Members welcomed the progress made to date and the process now being followed and added that concern remained in relation to some original implementation dates which were well past their target date.

Resolution: The report was **NOTED**.

### 6.4.0 LOCAL COUNTER FRAUD UPDATE

M Evans presented the report which provided an update on the tasks and actions undertaken within the four strategic counter fraud areas and also provided an update on the steps being undertaken to strengthen resource within the Team. Assurance was provided to the Committee that adequate resource would be in place in 2021/2022.

In relation to concern raised by J Sadgrove in relation to the low response rate to the Staff Survey in the Cwm Taf Morgannwg area compared to the response rate achieved within Swansea Bay UHB, M Evans advised that the level of awareness was a cause for concern and added that focus would be placed on this within next year's plan.

In response to a concern raised by J Sadgrove in relation to delays being experienced with obtaining information from Payroll Services, M Evans advised that whilst this is a concern the delays seem to be

limited to just one case and added that a response had now been received. S Webster added that concerns had been in place for some time in relation to the level of response from Payroll and added that M Evans would alert the Committee if further escalation was required beyond Payroll and Counter Fraud.

Resolution: The report was **NOTED**.

#### **6.5.0 CONSULTANT JOB PLANNING**

D Hurford presented the report and advised that whilst some progress had been made, some areas had not progressed as a result of the response to the Covid-19 pandemic.

In response to a question raised by J Sadgrove, D Hurford advised that Allocate had not yet presented their findings in relation to payments to consultants and added that an Integrated Locality Group discussion would be required which had not yet taken place.

M K Thomas advised that the report did not identify any key risks for escalation and highlighted the importance of identifying any risks that required escalation to the Board. D Hurford **agreed** to review the position and advised that he would ensure the Committee were made aware of any key risks once identified.

Resolution: The report was **NOTED**.

**Action:** Review to be undertaken on whether there were any key risks that would need to be highlighted to the Committee for escalation to the Board.

#### **6.7.0 MEDICAL AND DENTAL ROSTERING**

D Hurford presented the report which provided an update on the progress being made in response to the Internal Audit Review undertaken into Medical & Dental Rostering.

Following discussion, Members agreed that it would be helpful if the report could be shared with the People & Culture Committee for information so that they are aware of the audit as part of its work in undertaking a review of resourcing within the Health Board.

Members **RESOLVED** to: **NOTE** the report.

Resolution: The report was **NOTED**.

**Action:** Report to be shared with the People & Culture Committee for information and awareness of the audit work.

## **6.6.0 CLINICAL AUDIT UPDATE**

Mark Townsend presented the report which provided an update on progress being made against the Health Board's Clinical Audit Forward Plan for Quarter three of 2020/2021.

A discussion was held in relation to the issues identified in the report which related to a backlog within Clinical Coding which was having an impact on Audits which needed to be undertaken, particularly within Cardiology. Members **NOTED** that there were issues being experienced in sourcing a physical location on site for coders to undertake their work and address the backlog whilst maintaining social distancing practices.

J Sadgrove welcomed the report which she had found to be very informative and added that she felt concerned at the issues being experienced within Clinical Coding, which had been a concern for both the Audit & Risk Committee and Digital & Data Committee for some time. J Sadgrove suggested that the Executive Team would need to consider the immediate issues in relation to addressing the backlog of coding and suggested that a report would need to be presented to the next meeting which outlined the Clinical Coding plan to address the backlog. Members **NOTED** that whilst Clinical Coding in Bridgend was achieving 98% compliance, this would need to be replicated across the whole of Cwm Taf Morgannwg.

M K Thomas also welcomed the report and asked that the report was updated for Quality & Safety Committee to identify the risks and mitigations in relation to clinical resource and clinical impact.

In relation to how and where the clinical coding issues identified needed to be followed through, G Galletly agreed to consider the most appropriate approach outside of the Committee.

Resolution: The report was **NOTED**.

**Action:** Report to be updated for the Quality & Safety Committee to identify the risks and mitigations in relation to clinical resource and clinical impact.

**Action:** Consideration to be given outside of the meeting as to which Committee needed to consider the clinical coding issues that had been identified within the report.

**6.8.0 UPDATE ON BALANCE SHEET PLANNING**

S Webster presented an update and advised that discussions were ongoing with Audit Wales in relation to balance sheet reporting and any potential prior year end adjustments. Members **NOTED** that the Health Board was projecting a significant surplus but at present the surplus allocation was unable to be returned to Welsh Government with confidence that it would not be required within CTM, until the exercise had been completed with Audit Wales to achieve a sufficient understanding of Audit Wales' views on the principles behind the balance sheet release.

Resolution: To **NOTE** the update provided.

**6.9.0 AUDIT & RISK COMMITTEE – OUTCOME FROM THE COMMITTEE EFFECTIVENESS SURVEY**

G Galletly presented the report and advised that a thematic approach had been taken when presenting the results, with the report highlighting areas requiring further assurance and action. Members **NOTED** that detailed responses had not been included due to the inability to anonymise some of the questions answered.

Members welcomed the report and the process that had been followed.

Resolution: The report was **NOTED**.

**7.0.0 ANY OTHER URGENT BUSINESS**

No further business was identified.

**8.0.0 CLOSE OF THE MEETING – DATE AND TIME OF NEXT MEETING:**

The next meeting of the Committee was scheduled to be held at 9:30am on Tuesday 13 April 2021.