

**Minutes of the Meeting of Cwm Taf Morgannwg University (CTMUHB)
Audit & Risk Committee held on the 13th April 2021 as a Virtual Meeting
via Microsoft Teams**

Members Present:

Patty Roseblade	Independent Member (Chair)
Maria Thomas	Independent Member
Jayne Sadgrove	Independent Member
Ian Wells	Independent Member

In Attendance:

Sara Utlej	Audit Wales
Mark Jones	Audit Wales
Paul Dalton	NWSSP – Internal Audit & Assurance
Emma Samways	NWSSP – Internal Audit & Assurance
Eifion Jones	NWSSP – Internal Audit & Assurance
Amanda Legge	All Wales Post Payment Verification Manager (In part)
Sara Jeremiah	All Wales Post Payment Verification Location Manager (In part)
Sue Tillman	All Wales Post Payment Verification Location Manager (In part)
Owen James	Head of Corporate Finance (observing)
Matthew Evans	Head of Local Counter Fraud
Georgina Galletly	Director of Corporate Governance/Board Secretary
Steve Webster	Executive Director of Finance (In part)
Hywel Daniel	Executive Director for People (In part)
David Jenkins	Independent Advisor to the Board (observing)
Clare Williams	Interim Director of Planning & Performance (In part)
Emma Walters	Committee Governance Manager (Committee Secretariat)

**Agenda
Item**

1.0.0 PRELIMINARY MATTERS

1.1 Welcome & Introductions

The Chair welcomed everyone to the meeting, particularly those joining for the first time, those observing and colleagues joining for specific agenda items. The format of the proceedings in its virtual form were also noted by the Chair.

The Chair explained the consent agenda process and advised that an additional report had been added to the Consent agenda for approval. Members confirmed that they would be happy to approve the report which had been added as agenda item 2.1.3.

The Chair advised that S Webster would need to leave the meeting by 11.30am.

1.2 Apologies for Absence

Apologies for absence were received from Dave Thomas, Audit Wales.

1.3 Declarations of Interest

No declarations of interest were received prior to the meeting.

2.0.0 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 Meeting held on the 8th February 2021

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

2.1.2 Unconfirmed Minutes of the In Committee Meeting held on the 8th February 2021

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

2.1.3 Cwm Taf Morgannwg University Health Board Forward Plan for Clinical Audit 2020 – 2021

Resolution: The Forward Plan for Clinical Audit 2020 – 2021 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

The 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 & Special Payments Report

Resolution: The report was **NOTED**.

2.2.5 Audit Enquiries Letter to those Charged with Governance

Resolution: The report was **NOTED**.

3.0.0 MAIN AGENDA

3.1 Matters Arising not considered within the Action Log

There were no further matters arising identified.

4.0.0 INTERNAL AUDIT

4.1 Internal Audit Progress Report

P Dalton presented Members with the report and advised that the last year had been challenging as a result of the Covid pandemic which had resulted in some reviews taking longer to complete. P Dalton confirmed that despite the challenges faced, Internal Audit would be able to issue a full opinion at year end.

Resolution: The report was **NOTED**.

4.2 Internal Audit Review – IT Service Management

C Williams was in attendance for this item.

P Dalton presented Members with the report which had been allocated a Limited Assurance rating. Members were reminded that the report was received in draft at the February meeting.

C Williams advised that a management response had now been provided and added that this review had been taken very seriously by the department. Members **noted** that the report was also presented to and discussed in detail at the Digital & Data Committee and advised that all remaining recommendations were due to be completed within the next six months.

I Wells advised that he was pleased to see that a number of actions had been completed following concern raised by Audit & Risk Committee Members at the last meeting. M K Thomas advised that moving forwards she would expect that the Digital & Data Committee would ensure that the recommendations would be fully implemented over the next six months.

In response to a question raised by P Roseblade in relation to finding 6 and whether the timescale for completion was achievable, C Williams advised that a significant amount of work was already in the process of being undertaken and added that she felt confident that the timescale would be achieved.

In response to a question raised by P Roseblade in relation to finding 8, C Williams advised that she would be happy to review the position outside of the meeting and provide a report back to the Digital & Data Committee as to how

widespread the systematic issues were and whether any learning needed to be shared across Wales.

Following a discussion held in relation to finding 11, it was suggested and agreed that this recommendation would be added to the tracker and marked immediately as completed.

Resolution: The report was **NOTED**.

Action: C Williams to review the position in relation to finding 8 and would provide a report back to the Digital & Data Committee as to how widespread the systematic issues were and whether any learning needed to be shared across Wales.

Action: In relation to finding 11, recommendation to be added to the tracker and marked as completed.

6.1 Post Payment Verification Annual Report

A Legge presented Members with the report which highlighted how practices had been performing over the current Post Payment Verification Cycle and the two previous cycles.

M K Thomas advised that the Population Health & Partnerships Committee had been made aware that this report would be received by the Audit & Risk Committee and added that whilst Covid had disrupted a lot of the activity that was due to take place, there still appeared to be concerns in relation to certain GP Practices which had been experiencing issues in previous years. A Legge advised that for the practices showing as red from last year, the current percentage was not yet available as the reported errors had not yet been agreed. Members **noted** that the information would be reported once agreement had been given. Members **noted** that one to one training was being offered to any practices not improving and that the Committee would be alerted of any ongoing issues.

In response to a question raised by J Sadgrove in relation to frequency of reporting to the Committee, A Legge advised that it was planned to provide the Committee with an update every six months and added that she would be happy to provide an interim update report to the Committee if required, which was welcomed by the Committee.

In response to a question raised by P Roseblade in relation to visits planned for 2021 which did not go ahead, A Legge confirmed that visits planned but not undertaken in 2021 would be undertaken as part of the 2021/2022 plan which would be manageable.

Resolution: The report was **NOTED**.

Action: Interim Post Payment Verification report to be presented to the Committee if required prior to the next planned update.

4.3 Internal Audit Review – Estates Directorate Management Arrangements

E Samways presented Members with the report which had been allocated a Reasonable assurance rating.

J Sadgrove made reference to page 4 of the report which referred to an Estates Strategy being in place. She felt it described the current condition of the estate, which sounded like a condition survey as opposed to a Strategy. S Webster agreed that greater clarity was required on the Service Strategy for Estates which needed to be put into place.

J Sadgrove made reference to the separate systems in place for the recording of annual leave and added that using two separate systems duplicated records and utilised more time than what was required. J Sadgrove also raised concern in relation to the level of dependence placed on the Business Partner by the Team and suggested that the production of management reports could be undertaken by the Team as opposed to the Business Partner. Members **noted** that further work was required in relation to training staff to ensure they had the right access in order to produce reports and **noted** that further work was also required to improve the quality of the data.

In response to a question raised by J Sadgrove as to whether the Workforce Department had been involved in the preparation of the management response, H Daniel advised that the Directorate had not been asked to comment on the review but would be happy to review the response further outside of the meeting. M K Thomas advised that S Webster and H Daniel would need to be given time to respond strategically to the management response and it was agreed that the recommendations needed to be shared responsibly between Estates and Workforce from an audit tracker perspective.

P Roseblade made reference to page 8 of the report which stated that there was a lack of IT equipment in place for this group of Estates staff and questioned whether all staff needed IT equipment in order to undertake some of their role, for example, accessing the Electronic Staff Record. Members **noted** that this related to a group of staff who were not desk based. H Daniel advised that ESR could be accessed from any device, for example, a mobile phone and agreed to undertake some further work with his Team to communicate this message to staff within the organisation.

In response to a concerns raised by P Roseblade as to how the Directorate would be able to close down recommendations 10 and 11, S Webster advised that these recommendations could be closed as a result of Estates demonstrating that they had completed the production of their Integrated Medium Term Plan for 2021/2022.

Resolution: The report was **NOTED**.

Action: Recommendations contained within the report relating to workforce to be shared responsibly between the Estates and Workforce team from an audit tracker perspective.

Action: Director for People to undertake some further work with his Team in relation to cascading messages in relation to the ability to access ESR from mobile phone devices.

4.4 Internal Audit Review – Estates Directorate Compliance Review

E Samways presented Members with the report which had been allocated a substantial assurance rating.

Resolution: The report was **NOTED**.

4.5 Internal Audit Review – Welsh Risk Pool Claim Process

E Samways presented Members with the report which had been allocated a reasonable assurance rating. Members **noted** that the claims that had been tested by Internal Audit had not been subject to the 2019 guidance but had still failed to meet the four month target for completion.

Resolution: The report was **NOTED**.

4.6 Internal Audit Review – Financial Systems

E Samways presented Members with the report which had been allocated a reasonable assurance rating.

I Wells made reference to recommendation 1 which related to Charitable Funds and advised that he felt that the management response had not fully answered the recommendation, particularly in relation to the fund holder. S Webster advised that this particularly related to the Sir Tom Donation fund and added that initially a fund holder was identified within the Workforce Team. It was then identified that there were various streams within the fund and the Executive Team agreed that different fund holders would be required for each area, four areas in total. I Wells requested that the Management Response was updated to reflect this.

In response to a question raised by M K Thomas as to which Committee would need to monitor the use of the fund, Members **agreed** that this would be best undertaken by the Charitable Funds Committee, or through Board if the Charitable Funds Committee was not yet re-established.

In response to concern raised by P Roseblade in relation to finding 2 and how this recommendation could be closed, S Webster agreed to discuss the recommendation further with Internal Audit to determine whether the recommendation could be addressed and closed in future.

Resolution: The report was **NOTED**.

Action: Management Response to be updated to reflect the update provided by the Director of Finance in relation to Charitable fund holders.

Action: Discussion to be held with Internal Audit to determine whether the recommendation relation to finding 2 could be addressed and closed in future.

4.7 Internal Audit Review – Governance Arrangements during Covid 19 Pandemic Follow Up – Advisory Review

P Dalton presented Members with the report and advised that the follow up review identified that good progress had been made.

In response to a question raised by P Roseblade in relation to the decisions log, G Galletly advised that the Decisions log formed part of the Gold, Silver, Bronze Command structure and added that a closure report was in the process of being developed for Management Board, which she was happy to share with Members when complete if required.

Resolution: The report was **NOTED**.

Action: Closure report for the Gold, Silver, Bronze Command Decisions Log to be shared with Committee members if required.

4.8 Internal Audit Review – Prince Charles Hospital Redevelopment Governance Audit

E Jones presented Members with the report which had been given a reasonable assurance rating.

P Roseblade made reference to a statement made on Page 10 of the report which stated that 'it will be necessary for the Board (or nominated Committee) to remind parties of their responsibility in terms of attendance at future meetings' and sought clarity as to what committee was being referred to. S Webster advised that this related to issues being experienced in relation to attendance at Project Board meetings and advised that he had confidence that this would be resolved and added that there were valid reasons for non-attendance.

Resolution: The report was **NOTED**.

4.9 Internal Audit Review – Prince Charles Hospital Redevelopment Financial Management

E Jones presented Members with the report which had been allocated a reasonable assurance rating.

Resolution: The report was **NOTED**.

4.10 Internal Audit Review – Prince Charles Hospital Redevelopment Covid 19 Site Safety

E Jones presented Members with the report which had been allocated a substantial assurance rating.

P Roseblade welcomed the report which she had found to be an encouraging read and welcomed the excellent work that had been undertaken by the Estates Team and the Contractor. P Roseblade asked for her thanks to be extended to the Team for the excellent work that had been undertaken.

Resolution: The report was **NOTED**.

Action: On behalf of P Roseblade, thanks to be extended to the Estates Team for the excellent work that had been undertaken.

4.11 Internal Audit Review – Prince Charles Hospital Redevelopment Technical Compliance

E Jones presented Members with the report which had been allocated a reasonable assurance rating.

M K Thomas advised that it would be helpful moving forward if an explanation was given as to why a recommendation had been agreed and what action was to be taken, as opposed to simply stating 'agreed'.

Resolution: The report was **NOTED**.

Action: Explanation to be given in future management responses as to why a recommendation had been agreed and what action was to be taken, as opposed to simply stating 'agreed'.

4.12 Internal Audit Review – Prince Charles Hospital Development Agreed Integrated Audit Plan 2021/2022

E Jones presented Members with the report which sets out the risk based audit plan for 2021/2022 in relation to the Prince Charles Hospital Development.

In response to a comment made by P Roseblade, E Jones advised that he would ensure fire service engagement was referenced within the report

Resolution: The report was **NOTED**.

Action: Fire Service Engagement to be referenced within the report.

6.5 Procurements and Scheme of Delegation Report

S Webster presented Members with the report which sets out the single tender actions that had been undertaken and the Financial Control Procedures requiring approval.

In response to a question raised by P Roseblade as to whether the April 2020 dip in performance for Public Sector Payment Performance (PSPP) was related to the Covid pandemic, S Webster advised that this was partly the case and added that the Health Board seemed to be more affected by the nurse bank payments compared to other Health Board's. Members **noted** that this would be an area of focus moving forwards.

In response to a question raised by P Roseblade in relation to Appendix C, S Webster agreed to review the areas that had been crossed out of the report and advise what these areas had been replaced with.

A discussion was held in relation to section 5.2.2 of Appendix A. Following discussion, it was agreed to amend the following statement 'groups of variation should be managed within a monthly limit of delegate's authority, which shall be a maximum of 500k' to read 'up to maximum of 20% or 100k, whichever is lower'.

- Resolution: The report was **NOTED**;
The Financial Control Procedures were **APPROVED**, subject to changes made to the Capital Monitoring Financial Control Procedure.
- Action: Review to be undertaken of Appendix C outside of the meeting to determine what had replaced the areas that had been crossed out of the report.
- Action: Capital Monitoring Financial Control Procedure to be amended as per the discussions held

4.13 Internal Audit Plan 2021/2022

P Dalton presented Members with the report which sets out the Internal Audit Plan for Cwm Taf Morgannwg UHB for 2021/2022. Members **noted** that the plan was risk based and had been developed following discussions with the Chief Executive, Board Secretary and the wider Executive Team. Members **noted** that the Internal Audit Charter at Appendix C was being presented to the Committee for approval.

In response to a question raised by J Sadgrove in relation to whether a decision had been made to undertake a review of the third hosted body (National Imaging Academy for Wales), G Galletly advised that this was not being seen as a high area of risk and added that any future audit would need to take into consideration the proposal for this service to be managed by another organisation in two years. In response to concerns raised by I Wells in relation to the lack of reports/information being presented on the National Imaging

Academy, G Galletly advised that regular monitoring meetings were in place and advised that assurance would be provided through the work being developed on Hosted Governance Assurance.

In relation to the Charter, M K Thomas suggested that it would be helpful moving forwards if any changes made could be highlighted in red.

P Roseblade advised that she would welcome a discussion with Internal Audit colleagues outside of the meeting in relation to the lack of an audit regarding Controlled Drugs being included within the plan. P Roseblade added that she would also welcome a discussion on how Internal Audit ensure the consistency of ratings between audit reports.

Resolution: The report was **NOTED**.
The Internal Audit Charter was **APPROVED**.

Action: Future changes made to the Charter to be highlighted in red moving forwards

Action: Discussion to be held outside of the meeting in relation to Controlled Drugs audit and ensuring the consistency of ratings between audit reports (Completed).

5.0.0 External Audit

5.1 Audit Wales Progress Report

S Utley presented the report. Members **noted** that exhibit one outlines the audit of the 2021 financial statements and **noted** that comments had now been received from the Health Board in relation to the initial draft report on the Joint Follow Up Review of Quality Governance which would now be reviewed.

In response to a question raised by P Roseblade in relation to exhibit 3, locum doctors and clinical performance, S Utley confirmed that this related to processes.

Resolution: The report was **NOTED**.

5.2 Audit Wales CTMUHB Outturn Fee and Letter

M Jones presented Members with the Outturn Fee and Letter for the Health Board. Members **noted** that the fee estimate for 2021 was higher as a result of the extended work which was still ongoing. It was expected that the fee for next year would return to a normal level. Members **noted** that for all Health Boards separate fees would be identified for the main set of accounts and the Charitable Funds Account.

Resolution: The update was **NOTED**.

6.0.0 INTERNAL CONTROL AND RISK MANAGEMENT

6.2 Audit Recommendations Tracker

G Galletly presented Members with the report and extended her thanks to Executive Colleagues and Internal and External Audit colleagues who had spent a significant amount of time over the last few weeks undertaking a review of the trackers to ensure remaining recommendations were still relevant and management actions appropriate.

I Wells welcomed the report and advised that there still seemed to be a large number of recommendations that remained outstanding, particularly recommendations which fell under the portfolio of the Director of Operations. G Galletly advised that a discussion had been held with G Robinson prior to the meeting regarding this and advised that due to operational pressures progress had been slow and it was hoped that progress would improve over the next few months.

M K Thomas welcomed the tracker which was much improved and advised that this had developed significantly. M K Thomas added that she also felt concerned at the number of recommendations which remained open under the remit of the Director of Operations.

In response to a query raised by P Roseblade in relation to reference made within the tracker to a Fire Audit being undertaken in 2021/2022, which had not been included in the Internal Audit plan, P Dalton confirmed that there was now capacity to undertake this review as part of the 2020/2021 plan which was now in the process of being undertaken.

P Roseblade requested that for recommendations which had been superceded, could these be marked as Closed as opposed to completed moving forwards.

Resolution: The report was **NOTED**.

Action: Superceded recommendations to be marked as closed on the audit tracker moving forwards as opposed to completed.

6.3 Organisational Risk Register

G Galletly presented Members with the report.

In response to questions raised by I Wells in relation to risks 2725 and 4418 which had been de-escalated, G Galletly agreed to raise with the Executive Lead to have a discussion with I Wells outside of the meeting to explain why the risks had been de-escalated.

P Roseblade made reference to the new risk which had been added in relation to Information Security and the potential loss of patient records and advised that the potential of patient harm would be more important than the loss of the record. G Galletly accepted this as a valid point and would refer this back to the Executive Lead.

Resolution: The report was **NOTED**.

Action: Discussion to be held outside of the meeting in relation to de-escalated risks 2725 and 4418.

6.4 Local Counter Fraud Update

M Evans presented Members with the report which included the Counter Fraud Annual Report, the Annual Self Review against Counter Fraud Standards and the Counter Fraud Work Plan for 2021/2022.

P Roseblade welcomed the reports which she had found to be well written and self-explanatory. In response to a question raised by P Roseblade regarding the appointments process and whether this had concluded, M Evans confirmed that the employee would be employed by Swansea Bay UHB but would provide dedicated support to Cwm Taf Morgannwg as per the Service Level Agreement.

In response to a question raised by P Roseblade as to whether the number of people visiting the sharepoint page could be monitored, M Evans advised that this would be an area of work the team would be focussing on moving forward and advised that he would provide an analysis to the Committee at a future meeting.

In response to a question raised by P Roseblade as to who was the Counter Fraud Champion for the Health Board, M Evans advised that a Counter Fraud Champion had not yet been nominated although it had been recommended that this should be the Director of Finance. A discussion was held as to the appropriateness of this role being the Director of Finance given that Counter Fraud reported to the Director of Finance which meant that there was no segregation of duty. M Evans advised that he would discuss further with S Webster and would provide an update to the Committee at a future meeting.

In response to a question raised by J Sadgrove as to whether consideration had been given to the provision of pre-recorded training sessions, M Evans advised that this had been undertaken within another Health Board and added that whilst he saw the value of pre-recorded sessions, the sessions do not provide the same level of engagement in terms of questions and answers. M Evans advised that he would be happy to consider moving forwards.

Resolution: The report was **NOTED**.

Action: Analysis of the number of people visiting the Counter Fraud Sharepoint page to be analysed and presented to a future meeting.

Action: Discussion to be held with the Director of Finance in relation to nominations for a Counter Fraud Champion.

7.0.0 ANY OTHER BUSINESS

No items were identified.

8.0.0 DATE AND TIME OF NEXT MEETING

The next meeting would take place at 2.30pm on 17th May 2021.

9.0.0 CLOSE

Unconfirmed