

**Minutes of the Meeting of Cwm Taf Morgannwg University (CTMUHB)
Audit & Risk Committee held on the 28 April 2022 as a Virtual Meeting
via Microsoft Teams**

Members Present:

Patsy Roseblade	Independent Member (Chair)
Jayne Sadgrove	Independent Member
Ian Wells	Independent Member
Carolyn Donoghue	Independent Member

In Attendance:

Mark Jones	Audit Wales
Sara Utley	Audit Wales
Paul Dalton	NWSSP – Internal Audit & Assurance
Emma Samways	NWSSP – Internal Audit & Assurance
Eifion Jones	NWSSP – Internal Audit & Assurance
Martyn Lewis	NWSSP – Internal Audit & Assurance
Georgina Galletly	Director of Corporate Governance
Sally May	Executive Director of Finance
Owen James	Head of Corporate Finance
Hywel Daniel	Executive Director for People
Nicholas Price	Senior HR Manager – Medical Workforce (In part)
Neil Jones	Local Counter Fraud Specialist
Beverley Jones	Local Counter Fraud Specialist
Amanda Legge	All Wales Post Payment Verification Manager (In part)
Sara Jeremiah	Post Payment Verification Location Manager (In part)
Emma Walters	Corporate 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. Members **noted** that the meeting would be recorded to aid the Committee Secretariat in ensuring the accuracy of scrutiny related discussions and decisions made during the meeting. Members **noted** that the recording would be destroyed once the minutes had been confirmed as accurate. Members confirmed they were happy to proceed.

1.2

Apologies for Absence

Apologies for absence had been received from:

- Matthew Evans, Head of Local Counter Fraud.

- Dave Thomas, Audit Wales

1.3 Declarations of Interest

No declarations of interest were received prior to the meeting.

2.0.0 CONSENT AGENDA

2.1 FOR APPROVAL

2.1.1 Unconfirmed Minutes of the Meeting held on the 24 February 2022

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

2.1.2 Amendment to the Standards of Behaviour Framework Policy – Declarations of Interest

Resolution: The report was **APPROVED**.

2.1.3 Risk Management Strategy and Risk Management Policy

Resolution: The Risk Management Strategy and Risk Management Policy were **ENDORSED FOR BOARD APPROVAL**.

2.2 FOR NOTING

2.2.1 Annual Cycle of Business

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

2.2.2 Forward Work Programme

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

2.2.3 Declaration of Interests and Gifts and Hospitality Report

Resolution: The Report was **NOTED**.

2.2.4 Clinical Audit Annual Plan

Resolution: The Report was **NOTED**.

2.2.5 Audit Wales – Annual Audit Enquiries Letter Response

Resolution: The Report was **NOTED**.

3.0.0 MAIN AGENDA

3.1 GOVERNANCE

3.1.1 Audit & Risk Committee Action Log

G Galletly presented the action log and advised that a number of actions had been marked as completed. Members noted that the action relating to Endoscopy JAG Accreditation remained open and it was agreed that a revised date for submission of the closure report needed to be identified.

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

Action: Revised date to be identified for the submission of the closure report.

4.0.0 SUSTAINING OUR FUTURE

4.1 Local Counter Fraud Reports

B Jones and N Jones presented Members with a suite of reports which included the Local Counter Fraud Report, the Counter Fraud Annual Report 2021/2022, the Counter Fraud Annual Self Review and the Counter Fraud Work Plan 2022/2023.

I Wells made reference to the number of open cases which related to overpayment of salaries and sought clarity as to the timeframe given to staff in which they have to reply to say that they had received and overpayment before it is investigated as a Counter Fraud case. Members noted that if a member of staff receives an overpayment for three months or more, the matter is referred to the Counter Fraud Team who then undertake a review to determine whether the staff member had notified the Health Board of the error or whether there had been an element of dishonesty. If it was found that the staff member had made no attempt to contact the Health Board then further enquiries would be undertaken.

H Daniel advised that a pragmatic approach was required in this area and each case needed to be considered individually. As the majority of NHS workers have very complex pay arrangements, in some case an overpayment may not be noticeable. S May added that it was evident in some cases that staff had contacted payroll to notify of them of the error which had not initially been flagged and advised that it was highly important to ensure processes were followed correctly.

J Sadgrove advised that in one of the reports a question had been asked as to whether there were any areas in which there were system weaknesses and the response was that there were none. J Sadgrove added that she felt that the overpayment of salary issue may be a system weakness that needed to be addressed. H Daniel advised that he would discuss this matter further with S May to determine whether this was a system weakness. The Chair advised that she would welcome a review into this matter as the issue continued to be reported within the counter fraud reports.

N Jones advised that the statement in relation to system weaknesses had been included in the Annual Report and would have related to national weaknesses as opposed to local weaknesses and added that the Team were looking to prevent any weaknesses at source.

In response to a question raised by J Sadgrove as to whether the Team were seeing a reduction in notifications given the apparent reduction in cases being generated, B Jones advised that the team were not seeing a reduction in notifications and added that cases were not reported to Audit & Risk Committee until they required criminal investigation, with many cases not requiring to be reported to the Committee at all.

The Chair commented on the open case which related to the theft of petty cash which had been open since January 2022 and advised that the minutes from the last meeting stated that a discussion was held on a similar case. N Jones advised that when the police initially investigated the case there was insufficient evidence available to prosecute. It was then discovered that the investigation undertaken was not of a high standard and a subsequent investigation was undertaken which had identified a large and complex fraud had been carried out.

In relation to the Annual Report for 2021-2022, the Chair made reference to component 11 which related to the Access to and Completion of Training. The Chair advised that a discussion had been held a number of times with M Evans regarding the number of visits to the website and the general feeling that staff were not necessarily accessing the information available, and sought clarity as to how this area had been rated as green. B Jones advised that the standards advise that in order to be rated green there needs to be training available and added that the standards did not measure how many staff were accessing the training.

Members noted that the Annual Self Review would be submitted to the Chair and Director of Finance for approval. In response to a question raised by the Chair as to where the work in relation to Bribery and Corruption was being addressed, N Jones advised that he had previously made reference to the review of Changing Criminal Climate and Behavioral exercise which would include the work being undertaken on Bribery and Corruption.

Resolution: The report was **NOTED**.

Action: Discussion to be held between the Director for People and the Director of Finance to determine whether there were any system weaknesses in relation to the overpayment of salary issues.

4.2 Procurement and Scheme of Delegation Report

O James presented Members with the report.

In response to a question raised by the Chair in relation the waiver referred to in the report regarding Harp Funeral Services and whether the £50k contract was for Cwm Taf Morgannwg only or the whole of Wales and whether the initial tender was just for the Health Board or for Local Authorities also, S May advised that she would undertake a review of this and would provide an explanation outside the meeting.

The Chair commented on the four competitive tenders that had been waived and queried whether there was a feeling that staff were delaying the submission of tenders so that they could get a waiver signed. S May advised that if there were concerns in relation to any tender submissions these were being raised with Teams and added that Teams needed to be made more aware of the steps they needed to follow in relation to procurement processes.

Resolution: The report was **NOTED**.

Action: Director of Finance to undertake a review of Single Tender Action 1531 to determine the details of the Harp Funeral Services Contract and whether this contract was for CTMUHB only or for the whole of Wales, and whether the initial tender was for the Health Board only or for Local Authorities also.

4.3 Post Payment Verification Annual Report

A Legge presented Members with the report.

J Sadgrove made reference to a statement contained on page 2 of the cover report which advised that the Three Year Visit Plan for General Medical Services was agreed by the Audit & Risk Committee and added that she did not recall receiving a plan at the Committee for approval. A Legge agreed to review and provide a response to this matter outside the meeting.

In response to a comment made by J Sadgrove that it would be helpful if the Committee could be presented with an Annual Report in relation to Post Payment Verification at a future meeting, A Legge advised that whilst statistics had been included in the report for the whole year, she would be happy to prepare an end of year report for the Committee.

In response to a question raised by the Chair as to whether it was felt that the 10% review of claims submitted was appropriate or whether the percentage checked needed to be higher, A Legge advised that she felt that 10% was appropriate and added that she would discuss the rationale behind the 10% figure with her Manager further.

Resolution: The report was **NOTED**.

Action: Review to be undertaken outside the meeting as to whether a Three Year Visit Plan for General Medical Services had ever been agreed by the Audit & Risk Committee.

Action: End of Year Post Payment Verification Report to be developed and presented to a future meeting of the Committee.

Action: Discussion to be held outside of the meeting to determine the rationale behind the 10% review of claims figure.

5.0 IMPROVING CARE

5.1 Audit Recommendations Tracker

G Galletly presented the report.

I Wells welcomed the further development of the tracker and added that he still remained concerned that a large number of recommendations fell under the remit of the Chief Operating Officer (COO) and added that the new Chief Operating Officer would be picking up a significant amount of work. G Galletly advised that the Head of Business Support within the COO Team had taken the lead on ensuring that recommendations were being updated and addressed. Members noted that G Galletly would shortly be meeting with the new Chief Operating Officer to discuss the tracker.

The Chair advised that the format of the report made it easier to read the vast amount of information contained within it and commented that she had noticed that there were some limited recommendations contained towards the bottom of the spreadsheet which would need to be amended.

In response to comments made by the Chair regarding recommendations relating to Data Quality and Medical & Dental Rostering, members noted that follow up reviews were being undertaken by Internal Audit into both of these areas and it was hoped that final reports would be available for either the May or June meetings, which should help to address the comments made.

The Chair made reference to the two outstanding Single Cancer Pathway recommendations and advised that a specific update would be required on this matter at either the June or August meeting. Members noted that as this was a Limited Assurance review a follow up review would be undertaken by Internal Audit as part of the plan for 2022/2023.

J Sadgrove welcomed the pause and reflect that had been undertaken against some of the recommendations and added that the Committee now expected to see real progress being made against a number of the recommendations, including Consultant Job Planning and Medical & Dental Rostering. J Sadgrove added that she had noticed that a number of delays in completing recommendations had been attributed to the changes being proposed to the Operating Model which meant that there would be a risk in the loss of momentum whilst waiting to see what the outcome of the future model looks like. Members noted that the Committee would need to closely monitor the position over the next few months.

Resolution: The report was **NOTED**.

Action: Internal Audit Recommendations Tracker to be amended to ensure that all Limited Assurance rated recommendations were contained within the same section of the tracker.

5.1.1 6 Monthly Review Consultant Job Planning

N Price presented the report.

The Chair advised that she presumed the Committee would be kept updated on progress in this area and added that she would not want to reach December to find that recommendations had not been completed. It was confirmed that the Committee would continue to receive regular updates on this matter.

C Donoghue advised that she was surprised to see how much local negotiation was taking place in relation to agreeing rates of pay. H Daniel advised that at present it was a 'sellers-market' and the Health Board was under extreme pressure to agree rates of pay. The Chair advised that the June 2022 completion date seemed optimistic in relation to the rate card. H Daniel agreed to review this target date to determine whether it was achievable.

Resolution: The report was **NOTED**.

Action: Review to be undertaken of the target date of June 2022 allocated to the rate card action to determine whether this was achievable.

5.2 Organisational Risk Register

G Galletly presented the report. Members noted that this report was reviewed and approved by Board at its meeting on the 31 March 2022. The Chair advised that she would email any comments and questions through to G Galletly.

Resolution: The report was **NOTED**.

5.3 AUDIT WALES

5.3.1 Audit Wales Audit & Risk Committee Update

S Utley presented the report.

Resolution: The report was **NOTED**.

5.3.2 Audit Wales Audit Plan 2022

M Jones presented the report.

In response to a question raised by the Chair in relation to Scheme Pays and the £972k costs that had been incurred as a result of claims that had been

submitted, M Jones confirmed that the costs would be match funded by Welsh Government and would feature in the Health Board's accounts as a provision. Members noted that this would be included in Welsh Government accounts also.

In response to a query raised by the Chair regarding the increase in fees for local projects from £29k to £48k, S Utleby confirmed that this related to the work undertaken by Healthcare Inspectorate Wales in relation to the Maternity Review.

Resolution: The report was **NOTED**.

5.4 INTERNAL AUDIT

5.4.1 Internal Audit Progress Report

P Dalton presented the report. Members noted that most reviews were now nearing conclusion.

Resolution: The report was **NOTED**.

5.4.2 Internal Audit Follow Up Review – IT Service Management

M Lewis presented the report which had been allocated a Reasonable Assurance rating. The Chair welcomed the improvement that had been made in this area.

Resolution: The report was **NOTED**.

5.4.3 Internal Audit Advisory Review – Recruitment and Retention

E Samways presented the report. Members noted that as this was an Advisory Review an assurance opinion had not been allocated and noted that the recommendations would not be included in the Audit Recommendations Tracker.

H Daniel advised that progress had been made in this area since the review was undertaken and added that a report on Recruitment and Retention was being presented to the next People & Culture Committee which would include the conclusions identified within the review.

I Wells made reference to the Develop and Retain workstream which made reference to the gathering of information and developing training opportunities and added that this seemed quite passive. I Wells questioned whether this was more around the reviewing of existing training within the organisation and the identification of other opportunities for learning and development rather than the gathering of information.

H Daniel advised that there were a number of reasons as to why staff were leaving the Health Board, with the main reasons being retirement and work life balance. Members noted that opportunities were being explored, with further

consideration being given to apprenticeships, the leadership and management development scheme and secondment opportunities.

In response to a query raised by the Chair as to whether the adoption of a leavers checklist could be added into the notification process to payroll that a member of staff was leaving the organisation, H Daniel advised that he would consider this further as he was not convinced that this would be the correct solution to resolving the issues.

Resolution: The report was **NOTED**.

Action: Consideration to be given to the suggestion made to add the leavers checklist into the payroll notification process of members of staff leaving the organisation.

5.4.4 Internal Audit Review – Digital Strategy

M Lewis presented the report which had been allocated a Reasonable Assurance rating.

Resolution: The report was **NOTED**.

5.4.5 Internal Audit Review – Innovation and Improvement

E Samways presented the report which had been allocated a Reasonable Assurance Rating.

I Wells made reference to section 2.13 contained within page 6 of the report which seemed to imply that an innovation project should have the same risk appetite as the organisation itself. I Wells added that innovation projects tend to be very high risk and advised that the Health Board's risk appetite wasn't high risk at present. E Samways advised that the Team had tried to explain this within the report and apologised if this hadn't been made clear. S May advised that whilst she acknowledged that the risk profile of innovation projects would be higher, the governance would need to be strengthened around these projects given the higher risk.

Resolution: The report was **NOTED**.

5.4.6 PCH Audit Plan for 2022/2023

E Jones presented the report. The Chair sought clarity as to whether the Committee was being asked to approve or note the report. E Jones advised that the fee had already been agreed as part of the Business Case and suggested that the Committee notes the report and if the Committee has any concerns after undertaking further reflection of the report then these can be fed back.

Resolution: The report was **NOTED**.

5.4.7 PCH Financial Management Report

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

Resolution: The report was **NOTED**.

5.4.8 Annual Internal Audit Plan

P Dalton presented the report and the Internal Audit Charter that had been embedded within it.

The Chair commented that the Chief Operating Officer seemed to have a high number of allocated reviews, particularly in Quarter 1. P Dalton advised that the Chief Operating Officer had such an integral part within the organisation and would have significant amount of contact with Internal Audit throughout the year. Members noted that Internal Audit do try to balance the plan so that a particular person is not overburdened at a point in time.

Resolution: The report was **APPROVED**.

6.0.0 ANY OTHER BUSINESS

There was no other business to report.

P Roseblade extended an invitation to Committee Members to share their views outside of the meeting by email as to how they felt the meeting went today.

7.0.0 DATE AND TIME OF NEXT MEETING

The next meeting would take place at 9:00am on Wednesday 18 May 2022.

8.0.0 CLOSE