

**CWM TAF MORGANNWG UNIVERSITY HEALTH BOARD**

**'UNCONFIRMED' MINUTES OF THE MEETING OF THE AUDIT & RISK COMMITTEE HELD ON 14 DECEMBER 2020, AS A VIRTUAL MEETING WHICH WAS HELD VIA MICROSOFT TEAMS**

**PRESENT**

- Paul Griffiths - Independent Member (Chair)
- Jayne Sadgrove - Independent Member
- Maria Thomas - Independent Member

**IN ATTENDANCE**

- David Thomas - Audit Wales
- Sara Utleby - Audit Wales
- Mark Jones - Audit Wales
- Anthony Veale - Audit Wales (observing)
- Paul Dalton - NWSSP – Internal Audit & Assurance
- Emma Samways - NWSSP – Internal Audit & Assurance
- Eifion Jones - NWSSP – Internal Audit & Assurance (In part)
- Matthew Evans - Head of Local Counter Fraud
- Georgina Galletly - Director of Corporate Governance/Board Secretary (In part)
- Steve Webster - Executive Director of Finance (In part)
- Hywel Daniel - Interim Executive Director of Workforce & OD (In part)
- David Jenkins - Independent Advisor to the Board (Observing)
- Mark Thomas - Deputy Director of Finance (In part)
- Cally Hamblyn - Assistant Director of Governance & Risk
- Emma Walters - Corporate Governance Manager (Board & Committee Business) (Secretariat)

**PART A. PRELIMINARY MATTERS**

ARC/20/142 **WELCOME AND INTRODUCTIONS**

The Chair **welcomed** everyone to the meeting, particularly David Jenkins and Anthony Veale who were both observing the meeting today.

ARC/20/143 **APOLOGIES FOR ABSENCE**

Members **NOTED** that apologies for absence had been received from Ian Wells, Independent Member and Dave Thomas, Audit Wales. Members **NOTED** that G Galletly and S Webster would have to leave part way through the meeting as a result of the deteriorating Covid-19 position. Members **NOTED** that in this respect, agenda item 7.8 – Update on Balance Sheet Reporting would be taken as the first item.

ARC/20/144 **DECLARATIONS OF INTERESTS**

There were no declarations of interests declared.

**PART B. CONSENT AGENDA**

The purpose of the consent agenda was reiterated to Members where it was **NOTED** that Members had been asked to consider and comment on the reports in advance of the meeting to allow the Committee to efficiently proceed through the 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.

**FOR APPROVAL**

ARC/20/145 **'UNCONFIRMED' MINUTES OF THE AUDIT & RISK COMMITTEE MEETING HELD ON 19 OCTOBER 2020**

Members **RESOLVED** to: **APPROVE** the minutes of the meeting held on 19 October 2020 as a true and accurate record.

ARC/20/146 **FINANCIAL CONTROL PROCEDURE – MEDICAL VARIABLE PAY**

Some questions were raised by an Independent Member in relation to this report prior to the meeting, as outlined below together with the response:

**Question:** *2.2a FCP Medical Variable Pay - What is a 'rate card'?*

**Answer:** *The CTM rate card sets out the maximum Additional Duties Hours (ADH) hourly rates payable to medical and dental staff. These rates are the maximum payable within the prescribed process set out in the Financial Control Procedure (FCP). The rate card has been determined taking into account the contractual entitlement, Welsh Government caps, payments made to date and rate cards used by neighbouring Health Boards.*

**Question:** *What concerns were raised by the medical workforce which resulted in the Management Board deciding not to approve the rate card at this stage?*

**Answer:** *The Financial Control Procedure and Rate Card went to the Health Board's Management Board on 2 December 2020 for approval. Two of the Integrated Locality Group (ILG) Directors were present and were able to provide feedback from their respective localities. The decision was therefore taken at Management Board, supported by all present, to approve the financial controls within the procedure, but not to approve and proceed to implement the rate card at this stage. This has resulted in a postponement of the Medical Bank project until the New Year, which was due to commence in early December.*

*Following the meeting it was clear that further engagement was required to understand concerns from the medical workforce, and to discuss the procedure and rate card.*

*Discussions were arranged via Teams between the Assistant Medical Director (AMD) for Workforce, Workforce colleagues, ILG Directors, Clinical Service Group Directors (CSGD's), Clinical Directors and Assistant CSGD's. These have been held within each ILG over the last week.*

*A Frequently Asked Questions (FAQ) document has been developed following the meetings.*

*A meeting is being held on Monday 14 December by the Medical Director to address these concerns. An invitation has been issued to all consultants across the Health Board.*

*The concerns raised by the medical workforce will be fed back to the Executive team in order for them to decide upon the best way forward.*

Members **RESOLVED** to: **APPROVE** the Financial Control Procedure – Medical Variable Pay.

ARC/20/147

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

A number of questions were raised by an Independent Member prior to the meeting, as outlined below together with the response provided:

## Agenda Item 2.1.1

**Question:** 2.3a Procurement and Scheme of Delegation - How does our Purchase to Pay (P2P) performance at 93.2% compare with other Welsh health boards?

**Answer:** Please see the data below.

Oct 2020	KPI	SB	AB	C&V	CTM	HEI W	HD	PH W	VEL	BCU	POW YS	WA ST
PSPP - Non NHS adjusted	95.0 %	90.0 %	97.0 %	97.8 %	94.9 %	99.3 %	95.6 %	97.0 %	95.6 %	97.2 %	90.2 %	97.9 %
PSPP - Non NHS adjusted - Cumulative	95.0 %	93.0 %	96.8 %	96.9 %	93.3 %	93.6 %	94.8 %	96.3 %	96.9 %	96.3 %	92.1 %	97.3 %

**Question:** Is there a rationale for the change in policy to allow payment by instalments to be extended from 12 to 24 months other than to bring it into line with the former Bridgend policy?

**Answer:** As per the FCP, payment by instalments is only allowed in cases of genuine hardship, or as a result of an error by the Health Board (e.g. overpayment of salary). Overpayment of salaries form the majority of the agreed instalment plans.

The Debtors Team currently have the authority to agree payment plans up to 12 months, but agree the minimum period that the debtor can afford.

Any plans >12 months have to be approved by the Head of Corporate Finance.

In the last year (especially since COVID) there have been a significant increase in the requests for payment by instalments.

It is felt that increasing the period (from 12 to 24 months) in which the Debtors team can agree repayment plans, without referring to the Head of Corporate Finance, will speed up the communications with the debtor and allow the Team to action these repayment plans quickly, arranging deductions from salary from the next pay date or the start of an instalment plan immediately via direct debit.

The Team will only agree these extended terms if absolutely necessary and is more beneficial to the organisation that referral of the debt to the Debt Collection Agency.

Members **RESOLVED** to:

- **NOTE** the report;
- **APPROVE** the Amendments to the Scheme of Delegation;
- **APPROVE** the eight revised Financial Control Procedures.

**FOR NOTING**

ARC/20/148 **ACTION LOG**

Members **RESOLVED** to: **NOTE** the Action Log.

ARC/20/149 **LOSSES AND SPECIAL PAYMENTS REPORT**

S Webster provided members with an update in relation to the Welsh Risk Pool issues that had been identified in the report. S Webster reminded Members that the report submitted to the October meeting identified that the Health Board currently have significant levels of debtors, which is a cause for concern.

Members **NOTED** that in July 2020, the Claims Team had set up a Task Force to try to resolve these issues. The Chair of the Health Board had now received correspondence from Mrs M Foster, Chair of the Partnership Committee, advising that a 10% permanent levy would be issued against Claims Management reports.

Members **NOTED** that since the Task Force was established in July 2020, the Claims Team had submitted claims to the value of £25m, £2m of which had been paid and £20m of which had not been paid as approval was awaited from Welsh Government. The remaining £3m was being considered by the Welsh Risk Pool. Members **NOTED** that for the claims that had already been submitted and for the claims that were awaiting approval by Welsh Government, the Welsh Risk Pool had confirmed that they would not issue a levy against these.

Members **NOTED** that the Claims Team were holding regular meetings with the Welsh Risk Pool to discuss all outstanding Welsh Risk Pool claims.

Members **NOTED** that whilst some progress had been made, further progress would be required to mitigate the financial and reputational risks to the organisation.

The Chair requested a further update on this matter at the next meeting and added that this report would need to be added to the main agenda for Committee consideration. Following discussion, it was also **AGREED** that it would be helpful if Greg Dix or Debbie Bennion could be presents at the next meeting to discuss the progress made and the lessons that had been learnt (**added to the action log and forward work programme**).

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

**MAIN AGENDA**

ARC/20/150 **MATTERS ARISING NOT CONSIDERED WITHIN THE ACTION LOG**

There were no matters arising reported.

ARC/20/152 **UPDATE ON BALANCE SHEET REPORTING**

S Webster presented the report and advised that this report follows on from the report presented to the October meeting. Members **NOTED** that the report addressed the issues identified in the 2019/2020 audit, which was limited in scope, and consideration had now been taken of the whole of the balance sheet, which affected the financial position for the whole of the organisation and was not limited to being an accounting or audit issue.

Members **NOTED** that the report highlighted the history and the context of the position, which included Bridgend coming into the organisation very late in the financial year, which meant that harmonisation of the balance sheet was required. Issues were also experienced in the 2019/2020 audit, which led to a sample audit being undertaken by Audit Wales on older accruals. Members **NOTED** the purpose of this was to determine whether a reduction in liabilities should be treated as an adjustment to the 2019/2020 plan as opposed to being carried forward.

Members **NOTED** that the review identified that the Health Board could have provided more clarity in relation to the assumptions that had been made and **NOTED** that during 2020/2021 more clarity had been provided in relation to the balance sheet. Members **NOTED** that the lessons learnt had been outlined within the report, together with the accounting methodologies.

M Jones, Audit Wales advised that the work was in the process of being completed with a key meeting being held tomorrow to draw out some conclusions. Members **NOTED** that feedback would be provided to a future meeting.

In response to a question raised by the Chair as to when this review was likely to be completed, M Jones advised that it was hoped that the historical element of the review would be completed prior to the Christmas break, with a focus on the forward looking element being undertaken as part of the 2020/2021 planning process.

## Agenda Item 2.1.1

S Webster advised that depending on the outcome of the review of the historical position, Welsh Government were keen to understand the Health Board's financial position in order to determine whether the organisation had the financial resources to return to Welsh Government. Members **NOTED** that Board approval would be required to agree the level of funding returned to Welsh Government and agreed that it would be helpful if clarity could be provided as to the conclusion of this piece of work. A Veale advised that Audit Wales were aware of the accounting and financial management implications and were treating this as high priority.

S Webster agreed to keep Audit & Risk Committee up to date in relation to the latest position.

Members **RESOLVED** to:

- **ENDORSE** the proposed accounting methodologies for 2020/2021 and the planned further review for 2021/2022;
- **NOTE** the potential risk of a Prior Year Adjustment in 2020/2021 and the associated implications;
- **NOTE** the ongoing review of the projected Balance sheet for 2020/2021;
- **NOTE** the learning points in Section 3.3.

### INTERNAL AUDIT

ARC/20/153

### INTERNAL AUDIT PROGRESS REPORT

P Dalton presented the report and advised that the report reflected the current position and set out the progress that had been made against the plan.

The Chair made reference to two Limited Assurance rated Internal Audit reviews which related to IT Service Management and Data Quality, which had not been presented to today's meeting. The Chair suggested that it may be helpful if these reports could be forwarded to I Wells (as Chair of the Digital & Data Committee) once available. P Dalton confirmed that a discussion had been held with I Wells regarding these reports, which should be presented to the next meeting of the Committee.

In response to a question raised by the Chair in relation to the proposed delays for four reviews, which would now be undertaken in 2021/2022, G Galletly confirmed that she had discussed the proposed delays with Internal Audit and added that the Executive Team were content with the proposal.

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

AC/20/154

**INTERNAL AUDIT REPORT – ALL WALES SUMMARY OF GOVERNANCE ARRANGEMENTS DURING THE COVID-19 PANDEMIC**

P Dalton presented the report which identified common themes and good practices. Members **NOTED** that Internal Audit had worked closely with Audit Wales colleagues during this review.

G Galletly advised that as Members would be aware, the Health Board were seeing increased numbers of Covid-19 cases. Members **NOTED** that initial discussions had been held with the Health Board Chair and Chief Executive as to what could be done to streamline processes so that focus could be placed on operational business.

S Webster advised that at the last meeting a discussion had been held in relation to a review being undertaken on transactions and value for money on spend and added that further agreement would be required as to what needed to be reported on this. S Webster suggested that a review also needed to be undertaken on ensuring there was a standard format in place for capturing resource commitments, which were being captured, but not in a standard format.

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

AC/20/155

**INTERNAL AUDIT REPORT – HEAD & NECK GOVERNANCE ARRANGEMENTS – POSITION STATEMENT**

E Samways presented the report and advised that this followed on from a review undertaken last year where a number of opinions were given, with the Governance area being allocated a limited assurance rating.

Members **NOTED** that since the original review had been undertaken, there had been a number of changes made to the operational structure following the introduction of Integrated Locality Groups and Clinical Services Groups, and it had been identified that there was no longer one person who was responsible for taking forward the recommendations.

Members **NOTED** that out of the five recommendations made in relation to Governance, there was one which related to Policies and Procedures which had not been superceded by organisational change. Feedback had been received from the ILG's advising that they would ensure that this was addressed. Members **NOTED** that

the recommendations relating to risk management would now be addressed in the Corporate Risk Management audit.

The Chair made reference to a statement made that the Bridgend ILG were not aware of some of the recommendations that had been made and questioned whether this was a common issue. E Samways advised that this may be related to the timing of the audit which commenced during the start of the Covid-19 pandemic and the implementation of the new operating model. G Galletly advised that she would ensure that the Director of Operations was made aware of the issues.

M K Thomas suggested that this report was shared with the Quality & Safety Committee for information as Policies and Procedures had been an issue for some time (**added to the action log**).

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

AC/20/156

### **INTERNAL AUDIT REPORT – PRINCE CHARLES HOSPITAL (PCH) REDEVELOPMENT – VALIDATION OF MANAGEMENT ACTION**

E Jones presented the report which set out the current status of agreed audit recommendations included in previous PCH Redevelopment Audit Reports. Members **NOTED** that there were two recommendations which remained outstanding, one of which related to issues regarding clinical attendance at Project Board meetings. S Webster advised that work was being undertaken to try to structure the meetings as best as possible, with steps being made to try to focus ILG input on where it was felt to be more necessary.

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

AC/20/157

### **INTERNAL AUDIT 2020/2021 PLAN - REVIEW**

P Dalton presented the report which sets out the plan up until the end of the financial year. The report sets out a reconciliation of where the team were in the issuing of final and draft responses in comparison to last year. The report also identified the reviews planned and which reviews would be moved into 2021/2022. In order to provide a full opinion, this would depend on the quality of reviews undertaken as opposed to the number of reviews undertaken.

In response to questions raised by M K Thomas, P Dalton confirmed that Internal Audit would alert the Committee of any slippage in

timescales and confirmed that consideration had been given as to what impact a potential third Covid-19 peak would have on the Internal Audit Plan. P Dalton added that there had been good coverage across the organisation with a breadth of reviews which had given an amount of assurance.

In response to a question raised by the Chair as to whether the mandated review of the Welsh Risk Pool had any bearing on the work being undertaken by S Webster, P Dalton confirmed that the Internal Audit Review would focus on controls that were in place. Members **NOTED** that it may not be likely that the review would be completed in time for the February meeting, although verbal feedback could be provided.

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

### EXTERNAL AUDIT

AC/20/158

#### AUDIT WALES PROGRESS REPORT

S Utlely presented the report which outlined the work that had been completed to date and identified that a joint follow up review on Governance was in the process of being undertaken with Healthcare Inspectorate Wales. Members **NOTED** that Audit Wales would also be commencing a phased Structured Assessment in the new year, which was dependent on the Covid-19 position. Members **NOTED** that a modular approach would be undertaken, with the first module focussing on the recovery model.

In relation to the Accounts section, M Jones advised that a full audit was being undertaken on the funds held in Trust which was due to be presented to Trustee Members on 28 January 2021. Members **NOTED** that Audit planning and testing for 2020/2021 would be undertaken in the new year.

The Chair made reference to the Welsh Health Specialised Services Committee Governance review which was in the process of being undertaken, and sought clarity as to when this review was likely to be completed and whether the review would have any implications for the Health Board. S Utlely advised that the review was due to be completed in January 2021 and advised that she would obtain a response from D Thomas as to whether the review was likely to have any implications for the Health Board (**added to the action log**).

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

AC/20/159

**AUDIT WALES REPORT – FOLLOW UP OF OPERATING THEATRES**

S Utley presented the report and advised that the follow up review had been undertaken following a series of reviews undertaken on Operating Theatres since 2011 and the review undertaken on Bridgend Operating Theatres, which had now all been brought together. Members **NOTED** that a meeting had been held with the Director of Operations to discuss the report, which also took into account the Covid-19 position.

S Utley advised that whilst reasonable progress had been made, there were opportunities to improve data quality and to standardise pre-operative assessment across the organisation.

Members **NOTED** that a review would need to be undertaken of the older recommendations that were still contained on the tracker. J Sadgrove suggested that this report should be shared with the Quality & Safety Committee for awareness (**added to the action log**).

Members **RESOLVED** to **NOTE** the reports.

AC/20/160

**AUDIT WALES REPORT – ANNUAL AUDIT REPORT 2020**

S Utley presented the report and advised that the report had been prepared by the Auditor General who had recognised the unprecedented year that had been experienced by the Health Board. S Utley extended her thanks to all staff that had engaged in the process.

M Jones advised that in relation to the audit of accounts, the final fee figure had not been included in the report as yet as a result of the work that would need to be completed in January on the funds held in Trust. Members **NOTED** that it was likely that the fee would be higher than anticipated as a result of the work undertaken earlier in the year on accruals and the full audit required on funds held in Trust. Members **NOTED** that the details of the final fee would be provided at the February meeting.

Members **RESOLVED** to **NOTED** the report.

**INTERNAL CONTROL AND RISK MANAGEMENT**

**AUDIT RECOMMENDATIONS TRACKER**

C Hamblyn presented the report and advised that following a request made at the last meeting, focus had been placed on the high priority recommendations that remained open. Members **NOTED** that work continued to be undertaken on including recommendations from Healthcare Inspectorate Wales and Delivery Unit reviews, which would be reported to Quality & Safety Committee moving forwards.

J Sadgrove made reference to the distribution of recommendations across the Executive Team and highlighted that a significant number of recommendations fell under the remit of the Director of Operations, Director of Workforce & Organisational Development and the Director of Planning & Partnerships, with a number of recommendations remaining off target. J Sadgrove advised that whilst she appreciated the current situation the Health Board was in, a plan needed to be developed to ensure these recommendations were completed in timely way and questioned whether focus needed to be given to particular areas. M K Thomas also expressed concern at the lack of progress made in some areas.

M Jones highlighted that there were two recommendations contained within the Audit of Addendum report presented to the last meeting that had not been included in the Tracker. C Hamblyn **agreed** to action outside of the meeting (**added to the action log**).

The Chair also expressed concern regarding the progress that had been made and sought clarity as to whether further sessions would need to be held with Executive Leads to try to reduce the number of recommendations which remained open. C Hamblyn advised that she would be happy to discuss the concerns raised with the Executive Team (**added to the action log**).

P Dalton and S Utley offered to provide support in agreeing a way forward and to discuss how the tracker could be developed further.

The Chair sought clarity as to whether there was any evidence in place as to how other Health Boards were performing in this area and whether they were managing to keep the number of open recommendations to a minimum. P Dalton and S Utley agreed to undertake a review of the position (**added to the action log**).

The Chair requested that this matter was escalated to the Board for further consideration, highlighting the Committees concern at the lack of progress that had been made.

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

AC/20/162

**RISK MANAGEMENT IMPROVEMENT PLAN**

C Hamblyn presented the report and advised that significant progress was being made against the improvement plan. Members **NOTED** that training continued to be rolled out, with monthly training sessions being held from January 2021 which were open to ILG and Service leads to attend.

M K Thomas made reference to the discussion held at Board where the Health Board Chair expressed concern at the number of serious risks that the Health Board were holding, and questioned whether these should be included in the improvement plan. C Hamblyn advised that this was a timing issue and added that focus would be placed on serious risks during December within ILG's and service functions.

In response to a question raised by the Chair regarding principal risks, C Hamblyn advised that the principal risks had been defined and consideration now needed to be given to the approach to principal risks and how these were being embedded into the Organisational Risk Register process.

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

AC/20/163

**ORGANISATIONAL RISK REGISTER**

C Hamblyn presented the report and advised that the same report had been presented to the Board at its November meeting, where a detailed discussion was held regarding the number of risks contained within the register. Members **NOTED** that further work would now be required to streamline the report, with more focus to be placed on trends.

J Sadgrove advised that it would be important to note that good progress had been made in this area and added that in relation to the risks relating to Emergency Departments and overcrowding, there had been no risks identified in relation to Ambulance waits, which was challenging at present. C Hamblyn confirmed that this risk would be included in the January iteration of the report.

J Sadgrove welcomed the inclusion of the ICT Strategy Review which had now been firmly consolidated into the Organisational Risk Register. C Hamblyn confirmed that discussions had been held with

the ICT Management Team to determine whether the ICT risks identified were risks that should be escalated.

M K Thomas welcomed the work that had been undertaken to date and added that hopefully the Committees would ensure the risk mitigations were being reviewed. C Hamblyn advised that she was ensuring that the Risk Register was added as a key item for discussion at each Board Committee and added that discussions would continue to take place to ensure the right risks were being included. Members **NOTED** that Internal Audit were undertaking a review of Risk Management which was due to complete at the end of December.

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

AC/20/164

### **RISK MANAGEMENT STRATEGY**

C Hamblyn presented the report which had been reviewed as an organisation in March 2020. Members **NOTED** that following discussions held at Board Development, a further review of the Strategy had been undertaken and had been shared for consultation. Members **NOTED** that the latest iteration of the Strategy had been endorsed by Management Board and would be presented to Board in January for approval.

The Chair made reference to the fact that no risks had been allocated to the Audit & Risk Committee and advised that there were some risks which had been allocated to two Committees and questioned how this would be managed moving forwards. C Hamblyn advised that for the risks that had been allocated to two Committees, there would be two different aspects to these risks. Members **NOTED** that a review of risks that had been allocated to the Quality & Safety Committee was being undertaken to determine whether the allocation was appropriate.

The Chair sought clarity in relation to a statement contained on page 6 of the Strategy which stated that the Board Assurance Framework would be reviewed at each meeting. C Hamblyn advised that at present the Board Assurance Framework had not yet been finalised and that this reference related to the Performance Dashboard and Organisational Risk Register and added that moving forwards it was hoped that all three documents would be incorporated into one overarching document.

In relation to Section 3.2, the Chair advised that whilst this section identified what needed to be undertaken by the Committee, it did not identify any timescales. C Hamblyn advised that in addition to a

forward work plan, a cycle of business was also being developed for each Committee.

Members **RESOLVED** to: **ENDORSE for BOARD APPROVAL** the revised Risk Management Strategy and associated key appendices.

AC/20/165

**AUDIT & RISK COMMITTEE ANNUAL SELF-ASSESSMENT QUESTIONNAIRE – SURVEY MONKEY RESULTS**

C Hamblyn presented the report and advised that a similar approach had been undertaken to the approach taken for the Planning, Performance & Finance Committee, in that Survey Monkey had been utilised to undertake the questionnaire. Members **NOTED** that the survey results would now be considered along with some of the comments that had been made and **NOTED** that an action plan would be developed and presented to the next meeting (**added to the forward work programme**).

J Sadgrove welcomed the approach that had been taken and advised that she found some of the responses to the questions interesting. J Sadgrove added that she was also pleased to hear that an action plan would be developed.

M K Thomas also welcomed the approach that had been taken and **NOTED** that this approach would be undertaken for other Committees also.

The Chair advised that he found the process helpful and added that he was pleased to hear that an action plan would now be developed.

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

AC/20/166

**LOCAL COUNTER FRAUD UPDATE**

M Evans presented the report and advised that staffing issues were now in the process of being addressed within the Team. Members **NOTED** that the Counter Fraud risk approach was now aligning to the Health Board's risk management process and a review was being undertaken of the management of risks pre and post Covid-19. M Evans also advised that a review had been undertaken of all historic cases to determine whether or not they needed to remain open.

The Chair thanked M Evans for presenting the report which he had found to be helpful and sought clarity as to how the Counter Fraud Team were planning on making up the days allocated that had been

lost, with only 197 days being provided out of the allocated 520. M Evans advised that whilst he was unsure what the final number would be, there would be a significant drop in the number of days at the end of the year.

In response to a question raised by the Chair as to whether enough time had been spent on the last three domains, particularly Prevent & Deter, M Evans advised that Prevent & Deter would be a key area of focus in next year's workplan.

J Sadgrove advised that she was pleased to see the closure of cases that had been open since 2014 and was pleased to see that progress was being made on clearing the backlog of cases.

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

AC/20/167

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

C Hamblyn presented the report and advised that the 'declarations of interest' aspect of the report was the first one to be produced following the introduction of a new approach. Members **NOTED** that the new arrangements followed on from comments received from Audit Wales regarding the process, which meant that a more proactive approach was now being taken.

Members **NOTED** that all responses had been received from Board Members and a new online form had been introduced with a three step approach, which included a 'Manager authorisation' step. Members **NOTED** that this step had generated an increase in questions and queries being received from Managers once they had received the submissions for approval.

Members **NOTED** that there were a number of returns which remained outstanding which the Team were continuing to chase. C Hamblyn advised that she would welcome feedback from Members regarding the process.

In response to a comment made by the Chair that only 25% of returns had been received, C Hamblyn advised that the process had commenced late in the year and there were a number of submissions on hold which required Manager approval.

In response to a question raised by the Chair as to what response rates were being achieved by other Health Boards, C Hamblyn advised that whilst different processes were being followed in other

Health Boards, the need for a consistent approach was in the process of being discussed with peers.

In response to a question raised by the Chair in relation to Honorariums, C Hamblyn advised that there was further work required to raise the awareness of declaring honorariums.

The Chair made reference to the limited number of gifts and hospitality returns that had been made and advised that it was important that the Committee were satisfied that staff were declaring gifts and hospitality once received. C Hamblyn advised that the new form that had been introduced helped to identify what needed to be declared and added that awareness raising was being undertaken via sharepoint.

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

**ITEMS TO NOTE FOR INFORMATION**

AC/20/168

**COMMITTEE FORWARD WORK PLAN 2020/2021**

Members **RESOLVED** to: **NOTE** the forward work plan.

AC/20/169

**COMMITTEE HIGHLIGHT REPORT TO BOARD**

The Chair advised that he would discuss the content of this report with G Galletly and C Hamblyn outside of the meeting.

AC/20/170

**ANY OTHER URGENT BUSINESS**

M K Thomas advised that this was the Chair's last meeting of the Audit & Risk Committee prior to his retirement at the end of the month. M K Thomas advised that she wanted to express her thanks to Paul for all the support he had provided and advised that he would be missed immensely and would be a very hard act to follow. M K Thomas extended her best wishes to Paul and added that she hoped he had a very happy and healthy retirement.

In response, the Chair referred to the sad and challenging times the Board has had to deal with in recent times. Nevertheless, he felt that the Health Board had made some real progress in recent years and wished the Board further success in the years that lie ahead. The Chair extended his thanks to Internal Audit, Audit Wales and Counter Fraud colleagues for the support they had provided to help to create a better Health Board.

The Chair extended his thanks to the Executive Staff for all their hard work and for the considerable patience they had shown in

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supporting him as Chair of the Audit and Risk Committee, and more generally as an Independent Member on the Board. He also extended his thanks to Independent Member colleagues for the unstinting support they had provided. The Chair particularly extended his thanks to I Wells for agreeing to take on the Audit & Risk Committee Chairs role pending the appointment of a new Independent Member.

The Chair concluded the meeting by wishing everyone a very happy and healthy Christmas.

AC/20/171

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

The next meeting of the Committee was scheduled to be held at 1300 hrs on Monday 8 February 2021.

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**Paul Griffiths, Chair**  
  
**Date**  
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