



GIG
CYMRU
NHS
WALES

Ymddiriedolaeth Brifysgol GIG
Gwasanaethau Ambiwylans Cymru
Welsh Ambulance Services
University NHS Trust

AUDIT COMMITTEE

ANNUAL REPORT 2023/24

INTRODUCTION

1. The Trust's Standing Orders and Committee Terms of Reference require that Board Committees evaluate their effectiveness annually and present an annual report to the Trust Board.
2. As the factors underpinning effective governance can change, for example as people leave, organisations restructure, or strategy shifts, regular reviews of Board Committees ensure governance remains fit for purpose.
3. Standing Orders, Committee terms of reference, and Codes of Governance provide that Boards should routinely assess the effectiveness of their governance arrangements, of which the Board's Committees form an integral part.
4. The Committee met on 30 April 2024 and reviewed its terms of reference, responses to questionnaires completed by members and attendees, and its operating arrangements. Discussions were also held with the Committee Chair and Executive Lead ahead of that meeting. This Annual Report reflects on the effectiveness of the Committee in 2023/24 and proposes changes to terms of reference.

PURPOSE OF THE COMMITTEE

5. The purpose of the Committee is to advise and assure the Board and the Accountable Officer on whether effective arrangements are in place - through the design and operation of the Trust's system of assurance - to support them in their decision taking, and in discharging their accountabilities for securing the achievement of the Trust's objectives, in accordance with the standards of good governance determined for the NHS in Wales. Where appropriate, the Committee will advise the Board and the Accountable Officer on where, and how, its system of assurance may be strengthened and developed further.

MEMBERSHIP AND ATTENDANCE

6. The Committee met five times in public and four times in private session as scheduled in 2023/24 and was quorate on each occasion. Pre-meets with the Chair and auditors was reinstated in 2023.
7. In 2023/24 the Committee was supported by the Chair and three Non-Executive Directors (NEDs) as members, and several prescribed attendees with good attendance.
8. The chart below illustrates attendance of members and prescribed attendees as listed in the terms of reference for 2023/24. Audit Wales and Internal Audit were in attendance and the Committee welcomed non prescribed attendees at various meetings.
9. It is not intended to change the membership of the Committee other than to add the Deputy Board Secretary/Head of Risk to the prescribed attendees given the regular risk reporting.

COMMITTEE ATTENDANCE					
Name	20 April 2023	25 July 2023	14 Sept 2023	30 Nov 2023	1 Mar 2024
Martin Turner					
Peter Curran					
Paul Hollard					Kevin Davies
Joga Singh					
Ceri Jackson					
Chris Turley					
Lee Brooks		Judith Bryce	Judith Bryce		
Judith Bryce					
Liam Williams	Duncan Robertson				Part
Angie Lewis					
Osian Lloyd (IA rep)					
Audit Wales rep		Andrew Doughton	Fflur Jones	Fflur Jones	Fflur Jones
Paul Seppman					Christian Fox
Damon Turner					
Trish Mills					
Carl Window					

	Attended
	Deputy attended
	Apologies received
	No longer member

COMMITTEE VIEWS ON EFFECTIVENESS

10. The Committee's effectiveness was assessed through a review of its terms of reference, responses to a questionnaire, discussion with the Chair and Executive Leads, and at the 30 April Committee meeting. The questions differed from other

Committees in that the National Audit Office (NAO) Effectiveness Tool was used as it was in 2022/23.

11. The questionnaire provided an opportunity to rate essential and good practice areas based on ratings of 'room for improvement', 'meeting standards' and 'excelling'. Seventeen questionnaires were sent out with five responses being returned (a 29% return rate which was similar to 2023/24).
12. The responses were reviewed by the Committee on 30 April against the same questions from last year and most of the scores were an improvement from 2022/23.
13. The results highlighted the Committee's excellent performance across various areas including:
 - Financial reporting, where minimal areas for enhancement were identified.
 - Punctuality of submitted papers.
 - New practice of a recurring report from the Chair of the People and Culture Committee regarding the Trust's "speaking up safely" programme to assure the Committee on whistleblowing activity.
 - Membership was appropriate, with representation from Internal Audit and Audit Wales at meetings, and financial experience amongst the membership.
 - Members understand their role and what is expected of them when appointed.
14. Many of the areas raised as requiring improvement in the questionnaire were either already in train or were more relevant to government departments because of the nature of the NAO tool, however areas to strengthen include:
 - Committee level induction programme to be developed. This was planned for 2023/24 but was not progressed due to capacity in the Corporate Governance Team.
 - Lack of cyber and digital risk experience on the Board. The current NED campaign will seek to address this skills gap.
 - More of a focus on assurance mapping and assurance generally.
 - Reinstate NED and auditor only meetings of the Committee annually.
 - Committee Chair to meet quarterly with Audit Committee members.
15. The Committee has a cycle of business that is aligned to its terms of reference. All matters scheduled for oversight and review have been brought to the Committee and in this respect, it has discharged its responsibilities in providing assurance to

the Board aligned to its terms of reference. The Audit Wales annual audit plan and annual audit report have been carried over from Q4 into the April 2024 meeting as agreed.

16. The Committee's business in 2023/24 included the following, full details of which are in the Committee's AAA reports and minutes provided to the Board:

16.1. In July 2023 the Committee **endorsed the 2022/23 Annual Accounts and the Annual Report** which were shortly after approved by the Board. The Audit Report was also reviewed at that meeting as was the Head of Internal Audit Annual Report and Opinion. The plan for development of the 2023/24 annual filings was received in March 2024 and endorsed.

16.2. At each meeting other than in April, which is a meeting dedicated to the review of Committee effectiveness, members received an **update from Audit Wales and from Internal Audit** on their programmes of work and performance indicators (Internal Audit).

16.3. The following **Internal Audit Reports** were presented by Internal Auditors and discussed by this Committee. They were also reviewed by the Committees with specific remits over the subject area. The list below includes a mix of 2022/23 and 2023/24 Internal Audits:

- Risk Management and Assurance
- Savings and efficiencies
- Trade Union Release Time
- Pain Management
- IM&T Infrastructure
- Follow UP Action Tracker Review
- Cyber Security
- Health and Safety
- Senior Paramedic Role
- Records Management
- Technical Resilience
- Estates Assurance: Estates Condition
- Decarbonisation
- Vehicle Replacement Programme
- ePCR Clinical Compliance
- Serious Adverse Incidents Joint Investigation Framework
- Strategy Development
- Retention of Staff
- 111 Commissioning

- 16.4. The **2024/25 Internal Audit Plan was approved** by the Committee in March 2024, as was the Internal Audit Charter and fee.
- 16.5. In November 2023 Audit Wales presented the **WAST Review of Workforce Planning Arrangements** and the NHS Workforce Data Briefing from the Auditor General for Wales. The report found overall that the Trust is taking effective steps to mitigate current workforce challenges and clarify its longer-term strategic vision, however medium to longer-term resourcing is a significant and ongoing barrier.
- 16.6. In March 2024 the Audit Wales Update presented the **WAST 2023 Structured Assessment**. Members noted the positive report and the improvements year on year, and thanked all teams involved. The four recommendations and management actions were noted, and this Committee will monitor progress.
- 16.7. Two areas of **non-compliance with the Standing Orders** were discussed and escalated to the Board. The Committee was assured that both areas were being appropriately addressed in a timely way:
- The first related to the availability of Board papers ten calendar days before a Board meeting. It was noted that whilst the Trust could make continued improvements on uploads to papers to ensure they are at least seven days ahead of Board meeting, the timeliness of data and information was key and a ten day period would potentially provide outdated information, particularly when factoring in governance processes ahead of that time. The Standing Orders were later amended to provide for a seven day timeframe.
 - The second related to an issue raised in the vehicle replacement programme internal audit but had wider application. This centred on the approval of individual contracts by the Board. The Audit Committee received a verbal update on the plan to address this in March 2024 and will receive amendments to the Scheme of Reservation and Delegation and a Governance Practice Note to address this at its April 2024 meeting.
- 16.8. Amendments to **Standing Orders, Standing Financial Instructions and the Scheme of Reservation and Delegation** were reviewed and endorsed for the Board. Governance Practice Notes developed for interpretation and application of some parts of the Standing Orders were also approved.
- 16.9. The Committee reviewed the current state of play of **Policies** in July 2023 and agreed a prioritisation plan for 2023/24 and 2024/25. Members have been updated on progress at each meeting.

- 16.10. In April 2023 the Committee reviewed the **self-assessment against 2017 Governance Code** and noted that there were no areas where the Trust did not comply. A self-assessment against the Governance, Leadership and Accountability elements of the Health and Care Standards was also reviewed.
- 16.11. In September 2023 the **Audit Process and Reporting Handbook** was presented to the Committee. The Committee approved the handbook, which includes the roles and responsibilities for management, this Committee and other Board Committees as they relate to audit reviews. A revised approach to reporting was also approved which will position this Committee to focus on the overall framework and escalations where audit management actions are not met in reasonable timescales.
- 16.12. In September 2023 the Committee was assured that an **induction programme** was in place for new Board members which set out the roles and responsibilities of all those who are members of or attend the Board.
- 16.13. In November an update was received regarding the **implementation of the Quality and Performance Management Framework (QPMF)**, oversight of which transferred to this Committee from the Finance and Performance Committee in-year. Revised terms of reference are in place for the QPMF Steering Group (which reports to Executive Leadership Team), and a work plan is in place
- 16.14. Other than in April, the **losses and special payments** report is received at each meeting of the Committee. Likewise, **the Local Counter Fraud** update report and **tender and single tender waiver** reports are taken in private session.
- 16.15. The Committee received assurance from the Chair of Quest that the **clinical audit plan** had been approved and was being monitored quarterly by that Committee.
- 16.16. The Committee received assurance from the Chair of the People and Culture Committee that the **arrangements for whistleblowing** and speaking up safely were developing well with the All Wales Speaking Up Safety Framework in place, guardians operating at WAST, and the Work in Confidence platform operating for confidential reporting.
- 16.17. The **Register of Interests and the Register of Gifts and Hospitality** was received in April 2023 and the Standards of Business Conduct Policy approved in July 2023.

- 16.18. A **risk management and BAF** report was provided to each meeting. This Committee has oversight of the risk management transformation programme and noted delays in some deliverables given capacity in the team, however good progress against the principal risks was recognised as was the excellent risk culture at the Trust. Areas of focus for 2024/25 are to deliver a strategic BAF that reflects more closely the Trust's strategic objectives against its long-term strategy – Delivering Excellence: Vision 2030. Additionally, work will be undertaken to develop a series of strategic risks and risk appetite statements and will see the roll out of a programme of education and training across the Trust in support of the Risk Management Framework.
- 16.19. The **Risk Management Policy** was approved in March 2024, as was the **Local Counter Fraud Policy**.
- 16.20. Members **reflections** after each meeting included that papers were of good quality, concise and easy to read; presenters were clear; attendance and contributions at the meeting was excellent; focus on governance issues was welcomed; system of control was very good; good progress on risk and audit tracker; wider attendance of colleagues was welcomed; hybrid approach was considered to work well; and good focus on key audit points.
- 16.21. The 2023/24 Committee **cycle of business** was approved.
- 16.22. The **2022/23 annual effectiveness review** was conducted in the April 2023 meeting. At this meeting the Committee also reviewed the annual reports and changes to terms of reference for all Board Committee and Advisory Groups.
- 16.23. The **Committee's priorities for 2023/24** are reviewed at each meeting and a more detailed update appears later in this report. The Committee also reviews progress against its cycle of business at each meeting.
17. The Board received a highlight (AAA) report from this Committee by email circulation following each meeting which included alerts, advice, and areas of assurance. Where there was a shorter proximity of the meeting of this Committee and the Board meeting, that report was provided verbally by the Chair and captured in the Board's minutes. This AAA report included reporting at a high level of matters taken in private session.
18. The Committee is not serviced by any Sub-Committees or task and finish groups that this time.

PROPOSED CHANGES TO THE TERMS OF REFERENCE

19. The Audit Committee's terms of reference were reviewed to ensure all matters within the remit of the Committee were clear and were articulated with the oversight and scrutiny role of the Committee in mind. The following changes are proposed for consideration by the Audit Committee:

- Change of name from Audit Committee to Audit, Risk and Assurance Committee (ARAC). The National Audit Office recognises this as best practice nomenclature, and it describes more appropriately the wider remit of the Committee and the focus in 2024/25 and beyond on the strategic Board Assurance Framework and the programme of integrated governance and assurance.
- The addition of the Deputy Board Secretary/Head of Risk to the prescribed attendees.
- Addition of a Chair's Action provision. It is likely that this would be utilised primarily for policy approval where waiting a quarter for a scheduled meeting would cause undue delay.
- Addition of the commitment of the Committee to continuous improvement and the duty of quality.

20. Changes in operating arrangements in 2024/25 to address issues raised in the survey will include those issues raised as areas requiring improvement at paragraph 14.

COMMITTEE PRIORITIES:

21. The Committee received an update on progress against its priorities at each meeting. The 2023/24 priorities were:

Priority	Progress
Review of the Board Member Induction Programme and Annex	The induction programme and annex documents were updated and reviewed by the Committee in September 2023.
Oversight of the development and effectiveness of the Quality & Performance Management Framework	The Committee received a verbal update regarding the implementation of the Quality and Performance Management Framework at its meeting in November.

Priority	Progress
	It was agreed that an update was not required for the March 2024 meeting however the reporting for this will be actively considered for early 2024/25.

22. It is good practice for Committees to set priorities for the forthcoming year when they review their effectiveness. Accordingly, the Committee has agreed the following priorities for 2024/25:

- (a) Monitor the development of the Committee specific induction programme.
- (b) Carry over the priority to monitor the implementation of the Quality and Performance Management Framework.

23. Progress on priorities will be reported to the Committee quarterly and to the Board through its highlight report.

NEXT STEPS

24. The next steps are to update the cycle of business with revised terms of reference

RECOMMENDATION

25. The Trust Board is requested to

- (a) Receive and note the contents of the Committee Annual Report for 2023/24 and analysis of its effectiveness; and
- (b) Approve the changes to the Terms of Reference and operating arrangements.