

WELSH AMBULANCE SERVICES NHS TRUST

CONFIRMED MINUTES OF THE OPEN MEETING OF THE AUDIT COMMITTEE OF THE WELSH AMBULANCE SERVICES NHS TRUST HELD ON FRIDAY 1 MARCH 2024 IN CARDIFF AND VIA TEAMS

Meeting Commenced at 09:30

PRESENT:

Peter Curran	Non-Executive Director and Committee Chair
Ceri Jackson	Non-Executive Director and Vice Chair of the Trust Board
Kevin Davies	Non-Executive Director
Joga Singh	Non-Executive Director

IN ATTENDANCE:

Hugh Bennett	Assistant Director, Commissioning and Performance (Item 04/24 only)
Julie Boalch	Head of Risk/Deputy Board Secretary
Judith Bryce	Assistant Director of Operations
David Butler	Internal Audit, NWSSP
Christian Fox	Trade Union Partner
Jill Gill	Head of Financial Accounting
James Houston	Head of Strategy Development (left after Item 04/24)
Fflur Jones	Audit Wales
Navin Kalia	Deputy Director of Finance and Corporate Resources
Olaide Kazeem	Project Accountant Financial Services
Alison Kelly	Business Manager
Angela Lewis	Director of People and Culture
Martyn Lewis	Internal Audit, NWSSP
Osian Lloyd	Head of Internal Audit, NWSSP
Amy Lord	Audit Wales
Trish Mills	Board Secretary
Steve Owen	Corporate Governance Officer
Madrún Parry-Jones	Finance Graduate
Alex Payne	Corporate Governance Manager
Felicity Quance	Deputy Head of Internal Audit, NWSSP

Duncan Robertson	Assistant Director for Clinical Development
Jonny Sammut	Director of Digital Services
Chris Turley	Executive Director of Finance and Corporate Resources
Carl Window	Counter Fraud Manager
Liam Williams	Executive Director of Quality and Nursing (Joined meeting at 11:20 for Item 4/24)

APOLOGIES:

Paul Hollard	Non-Executive Director
Damon Turner	Trade Union Partner

01/24 PROCEDURAL MATTERS

The Chair welcomed all to the meeting, introduced himself and then each participant introduced themselves.

Members noted that any declarations of interest were contained within the Trust's Register of Interests. It was noted that Peter Curran's declarations were not yet entered on the register, and it was confirmed by Alex Payne that he had no interests which conflicted with any of the items on the agenda.

Minutes:

The Minutes of the Audit Committee meeting held on 30 November 2024 were approved subject to amending Lee Brooks' attendance to an apology.

Action Log

Action Number 48/23: To liaise with Paul Seppman to consider retrospective induction particularly for Trade Union partners who are members of the Board and its sub-Committees. Trish Mills has developed the scope for a session with Chairs and TU members on their role and mutual expectations and will be delivered in Q4 or Q1 (2024/25) subject to stakeholder availability. Trish Mills advised that the scope had now been agreed adding it was now the time to secure dates in the diary. Action Closed.

Action Number 56/23: Workforce Planning Report. Ceri Jackson, a Non-Executive Director, asked Fflur Jones about the audit approach in relation to mental health and wellbeing, and Fflur Jones explained that they did not look in depth at that aspect because of a previous review on taking care of the carers, but said that they were scoping work on mental health. It was requested that the work around mental health be provided in a future update report. The Forward Work Programme includes a review of adult mental health and is due to be scoped shortly. Updates on that work will be brought via the audit committee update in due course. Action Closed.

RESOLVED: The Committee;

(1) Noted the apologies received from Paul Hollard and Damon Turner;

(2) Approved the Minutes of 30 November 2023 subject to adding Lee Brooks as an apology; and

(3) Considered the action log and closed the actions as described.

02/24 2023/24 ACCOUNTS PLANNING AND ANY EMERGING ISSUES

Chris Turley presented the report as read noting the following key points:

An update has been provided on the proposed audit timetable for the 2023/24 year end audit by Audit Wales. The proposed audit certification deadline is 15 July 2024 which is 16 days shorter compared to 31 July last year.

Audit Wales (AW) have signified their intention to increase the audit fee by an average of 6.4% for the audit of 2023/24 accounts. The proposed increase in audit fees is driven mainly by regulatory pressures from new auditing standards (including ISA 315) and the attendant increasing quality, recruitment challenges and rising costs of audit staff required to continue to carry out the audit work in line with the new regulatory standards. This uplift will be applied to all NHS Wales organisations.

Chris Turley drew attention to a potential issue which had emerged over the last week or so and was across NHS Wales and concerned senior managers pay and the pay award for the 2023/24 financial year, which has been awarded but not yet paid. This could impact on the values included in the 2023/24 Remuneration Report. As previously mentioned, it was an all- Wales issue and was being managed by a subcommittee of Finance Directors. Chris Turley was confident that once the accounts were presented this should not be an issue.

Comments:

Members commented that given that NHS Wales is mandated to use the same auditor, they could not see the risk as alluded to and expect it to be seen as normal business. Chris Turley explained that it had been flagged as a potential issue suggesting that it could materialise into a risk.

The committee expressed concern about the increased costs from audit Wales and whether they aligned with those of the wider health sector. Fflur Jones mentioned that the fees had not risen in recent years, but due to this and ongoing cost pressures it was felt they had to be raised. She agreed to provide more comparisons and details on the fee increase for the next meeting.

RESOLVED: The Committee noted the report.

03/24 2023-24 ANNUAL FILINGS SCHEDULE

Trish Mills presented the report and drew the Committee's attention to the following areas: The Annual Filings Task and Finish Group (the "Group") was re-established in November 2023 to ensure that the Trust meets the Annual Report and Accounts 2023-24 disclosure and reporting requirements as set out in the Manual for Accounts (MfA) published by Welsh Government (WG).

A timetable has been drafted based on the draft MfA, and the schedule is subject to change as confirmation from WG is yet to be received. The Committee is asked to note that Audit Wales have issued correspondence dated 05 February 2024 indicating that they are proposing a certification of the accounts deadline of 15 July 2024. It has been proposed to add two extraordinary meetings in July; Audit Committee on 8 July and Trust Board on 9 July. Chris Turley added that there may be a need to potentially adjust these dates to avoid disruptions to paperwork and other committee schedules.

It was noted that there is a requirement for the Trust to publish the Duty of Quality and the Duty of Candour reports this year. Guidance on these was expected shortly.

No formal confirmation of the Annual General Meeting timing has been received yet but informal indications suggest it will likely be the same as last year which is the end of September. Once the formal confirmation is received the committee will be informed accordingly.

To ensure ample review time before presentations to the Audit Committee and the Trust Board, draft reports such as the Remuneration Report will be circulated via e-mail as will the annual report for initial feedback. This will allow for early input before formal consideration by the relevant committees.

It was requested that the Committee approve this approach in the timetable and also the proposal to hold those extraordinary meetings as described subject to timings.

Comments:

Chris Turley explained, following a query in terms of when the accounts were seen, that the draft accounts were not routinely seen by the Audit Committee, but they would see the draft audited accounts prior to them being presented to the Trust Board. Trish Mills advised that the Committee would have sight of the draft Annual Report. The Chair offered his support in reviewing the draft accounts.

RESOLVED: The Committee:

(1) Approved the Annual Filings 2023-24 schedule subject to the placement of the extraordinary dates; and

(2) Approved the circulation of the draft reports for review and comment via e mail.

04/24 INTERNAL AUDIT ITEMS

The Head of Internal Audit (HoIA), Osian Lloyd presented the reports which consisted of his update, the Audit Plan for 2024/24 and seven Internal Audit (IA) Reports.

Internal Audit Progress Report

Good progress was being made with the 18 reviews (originally 20) in the 2023/24 Internal Audit Plan with the team remaining on track to deliver the plan.

There were two reviews that were being proposed to be deferred: Delivery of Major Change Programmes and the Integrated Quality and Performance Management Framework.

The Committee were updated on the current position of the Key Performance Indicators (KPI) as detailed in the report.

Comments:

Members sought clarity on one of the KPIs; Report turnaround time taken for management response which should be 15 days, and the reason for its status being red. Osian Lloyd explained there was nothing of significant concern and it may have been due to a resource issue. Trish Mills explained there were sometimes a few nuances in when reports come through and are returned from management. It has been agreed for 2024/25 to have a closer monitoring of reports with clarity on timelines. There is also a commitment to address any delays and offer support where needed for all involved parties.

2024/25 Internal Audit Plan

Osian explained that the report sets out the planned Internal Audits for the next year, prepared in accordance with Audit Standards. The work was focussed on risk, noting there had been regular liaison with Audit Wales, Health Inspectorates Wales (HIW), and other colleagues, to ensure that the work aligned with their programmes. A prioritisation process has been conducted and this will be kept under review going forward. Osian Lloyd expressed his thanks and acknowledged the positive engagement with teams within the Trust who had supported in the coordination of the plan.

The Committee considered and approved the Internal Audit plan for 2024/25 and also approved the Internal Audit Charter.

The following Internal Audit reports were received:

Decarbonisation – The Internal Audit (IA) opinion was Limited.

Felicity Quance explained that the purpose of the review was to consider the progress against the NHS Wales Decarbonisation Strategic Delivery Plan and the Trust's Decarbonisation Action Plan. The work had built on the advisory review which had been prepared in 2022/23 which provided an overview of the overarching position across NHS Wales. This year the review has been undertaken as an assurance report and has been given limited assurance; this was based on two high priority rating recommendations and four medium. In reaching this assurance rating the audit had considered the complexity and range of risks associated with this particular area; and also noting the challenges faced by the Trust with available funding.

Key points from the audit included:

1. The appropriate governance arrangements have been established in relation to decarbonisation to enable the Trust to progress with the decarbonisation target.
2. Consistent with all NHS organisations the carbon footprint has increased in value since the initial baseline assessment.
3. Current reporting indicates there remains a real risk that the Trust may not be able to contribute effectively to the NHS carbon reduction target.
4. The ten year capital cost estimate submitted to Welsh Government with some elements not being able to be accurately costed.
5. The primary source of funding has been EFAB allocating £2.1m for the period April 2023 to March 2025, of which the Trust contributes 30%.
6. There were appropriate monitoring and reporting arrangements in place to provide assurance on the implementation of the strategy and action plan. It was noted that many of the governance structures were recent and will take time to fully mature.
7. It was appreciated that the key officers were disappointed with the assurance rating; noting that management actions have been provided for the recommendations raised.

Comments:

Chris Turley expressed the disappointment felt by the whole team involved in this assurance rating. This was further recognised by the Committee acknowledging the limitations of the Trust's funding and resources and abilities in improving the decarbonisation process under the current circumstances.

Osian Lloyd recognised the disappointment noting there were things outside of the Trust's control and recognising the strength of feeling across the NHS. He added that a summary report will be issued and shared with WG considering feedback from organisations.

The Committee recorded a note of thanks to the team involved in their sterling efforts, albeit under challenging circumstances to work towards decarbonisation.

In respect of the Decarbonisation Programme Board, it was noted that it was reported that attendance was below expectations, and the impact of effectiveness was questioned. Chris Turley advised the programme board was one of the better attended meetings when compared to other sub-Boards. He added that all matters for the Board had been successfully conducted without hindering any decisions with those in attendance and would review the terms of reference to consider membership going forward.

The Chair proposed a future strategy to distinguish between issues within the Trust's control and those beyond its influence. This approach would involve identifying issues for independent assessment to determine management's effectiveness within their control while separating out external factors like funding for example. This would help clarify the Trust's areas of influence for clearer decision making going forward.

Serious Adverse Incidents Joint Investigation Framework – The IA opinion was Reasonable. Felicity Quance explained that the audit's purpose was to review the Trust's compliance with the joint investigation framework for serious patient safety incidents. The reasonable assurance was based on three matters arising which gave rise to two medium and four low recommendations.

Key areas to note:

1. There were incident management procedures and a policy aligned to the NHS Wales policy, but some enhancements were recommended to ensure they fully aligned the NHS Wales national policy. There were timelines on the national policy that required adherence to for the initial capture and escalation of incidents.
2. There was appropriate training and supervision arrangements in place for staff undertaking investigations into patient safety incidents.

3. Patient safety incidents were captured on Datix Cymru and were reviewed by the Patient Safety Team. Those incidents requiring a joint investigation were recorded on the Serious Case Incident Forum action log.
4. In relation to internal reporting, the appropriate reporting framework was in place.
5. Organisational wide learning from investigations was captured within the Putting Things Right (PTR) team and reported to the Quality, Patient Experience and Safety Committee (Quest)
6. Liam Williams reminded the Committee that the PTR team has been under significant challenge for a period. Investment to increase resources has been agreed and this was made available in quarter three of last year with several appointments being made.
7. In terms of joint investigations, effective communication and collaboration between the Trust and Health Boards is crucial. While progress has been made, there are still challenges with some Health Boards requiring more effort and diligence from the Trust to acquire a consistent approach.

Comments

Members were reminded of the focus applied at the Quest Committee in discussing the issues raised in the review.

Liam Williams emphasised that while many incidents involve factors beyond the Trust's control it is crucial for the organisation to identify and learn from those within its influence. Transparency across the workforce alongside collaboration with the learning development team ensures that lessons are applied effectively to improve learning opportunities for colleagues.

Strategy Development – The Internal Audit opinion was Reasonable.

Felicity Quance explained that the purpose of the audit was to review the arrangements in place to support the development of the Trust's strategic ambitions. The opinion was reasonable based on three medium rated recommendations and one low.

The key points from the review were as follows:

The Trust's long term strategic framework, IMTP and associated objectives are aligned to the requirements of the Welsh Government and the Commissioners.

The long term strategy has been subject to regular review and has recently been reconfirmed by the Trust Board.

In terms of the current juncture of the strategy, consideration should be given to refresh it to account for the Trust's developments post approval and also following the pandemic.

Consultation for the development and the strategic case for change, including inverting the triangle and wider integrated service model proposes was ongoing.

Engagement with stakeholders was clear, noting that a number of workshops have been planned to assist in the development of the work required.

A robust method of monitoring and reporting was in place, however integrating a benefits realisation plan could bolster these capabilities.

James Houston added that the opportunity now was for the Trust to expand and integrate its services, building on existing efforts to advance the concept of inverting the triangle. Finalising the delivery plan was crucial, especially considering the extensive discussions with executive management. Regarding consultation, it was essential to confirm whether formal consultation with Llais Wales (an independent statutory body set up by WG to give the people of Wales a say on the planning and delivery of health and social care services) or other stakeholders will be necessary.

Comments

Following a question in terms of the Trust's commitment to engage with the public, James Houston outlined core pillars of the engagement delivery plan starting with senior stakeholders who hold considerable influence over the Trust's future service model. Additionally, it encompasses various external stakeholder Health Board partners and the public making it a comprehensive engagement strategy spanning both external stakeholders and the public.

It was recognised that Commissioning will be taking a dynamic change in the not too distant future, confirmation was sought whether the Trust was alive to this in terms of the audit process. James Houston, in terms of the performance metrics, work was being undertaken in terms of the handling plan. The system metrics were being reviewed which will be shared with key partners with further work to fully understanding those system metrics. from a commissioning perspective recognising the Trust will be moving into new commissioning arrangements, there is continued regular dialogue with key leads and potential commissioners going forward. The Trust will need to undertake an assessment in the first quarter to see if there is any shift in terms of the strategic commissioning position.

Retention of Staff – The Internal Audit opinion was reasonable.

Felicity Quance explained that the purpose of the review was to evaluate and determine the adequacy of the systems and controls in place within the Trust in relation to staff retention. The opinion was based on two matters arising which gave rise to four medium rated recommendations.

The key points from the review were:

1. It has been recognised that the retention of staff within the Trust was a challenge and the people and culture plan has included the commitment to create an environment that attracts, retains, and develops talent and expertise.
2. The pre-exit policy has surpassed its review period, but it was recognised that the Trust has been undertaking work to replace this with through the moving on interview process.
3. there are several initiatives in place to improve the retention of staff and this was reviewed both at corporate level at those in place within 111 noting the attrition rate in this area has been of concern previously.
4. There was regular reporting in relation to turnover rates within the Trust at operational and Board level including the recently introduced people and culture plan metrics report.
5. The Audit Wales recommendation regarding more regular benchmarking of workforce performance metrics was noted.
6. Appropriate management actions were provided for each of the recommendations raised with reasonable timeframes for implementation.
7. In respect of the target date for recommendation 1.3 (Guidance for managers on using the process developed and signed off) it had been agreed to extend the target date to 30 June 2024 from 30 April 2024. This was due to delays in the development of the training package.

Comments:

Angela Lewis recognised there was still further work to be undertaken to refine the final process when staff leave the Trust. It was anticipated the new digital solution would improve this process. She added that the review would be presented at the next People and Culture Committee meeting for fuller scrutiny.

The Committee acknowledged the positive aspects in the report noting the exit interview process was on track with the pilot scheme appearing to be working well.

111 Service Commissioning Arrangements (Advisory).

Felicity Quance explained that the objective of this advisory review was to assess the effectiveness of the new arrangements and structures for the NHS 111 Wales service, to ensure sustainable and improved patient quality experience provision with appropriate resourcing and finance mechanisms.

Key points from the review included:

1. The arrangements put in place were still evolving and improvements had been identified as part of the review will assist in strengthening the current framework.
2. The roles and accountabilities of partners was currently unclear within the latest draft version of the National Collaboration Agreement.
3. A governance structure for NHS 111 Wales has been established; however, two enhancements had been identified to further strengthen the current arrangements.
4. There was frequent performance reporting on the NHS 111 Wales service delivery to Welsh Government.
5. The review further identified it would be beneficial to have a designated strategy to assist with developing sustainable service provision.
6. It was noted that any risks associated with Commissioning arrangements was recorded on the Trust's risk register.
7. Eleven recommendations were raised against five matters arising with no priority ratings due to the nature of the report. It was encouraging to note all the recommendations had been accepted by management with appropriate timescales for completion.
8. Hugh Bennet advised the Committee that the current commissioning arrangements effectively ends on the 1 April 2024 with it then transferring over to the Joint Commissioning Committee. The national collaboration agreement needs to be updated with 111 commissioners by the end of March 2024 as well as the terms of reference.
9. Each of the recommendations were referred to by Hugh Bennett who outlined details of each one and explained further in respect of the timelines for completion.

Comments:

The Chair queried post April how it was intended to review the effectiveness. Osian Loyd advised it was not currently in the IA plan but expected it would be part of Audit Wales's unscheduled care review.

Capital Assurance: Vehicle Replacement Programme – The Audit opinion was reasonable. David Butler advised that the purpose of the review was to evaluate the processes and procedures in place to support the management and control of the ongoing procurement of replacement vehicles. The Trust undertakes a cyclical refresh of its vehicles with an annual funding targeted at £94m over the next six years.

Key points from the review included:

1. Positive assurance was obtained in the areas of strategic planning and approvals, programme management and financial monitoring and reporting. However, an issue was raised around procurement relating to the need to ensure compliance to standing orders for the Trust approval of contracts where the Trust has undertaken to review the process.
2. Other matters raised included the need to enhance reporting and review of the procurement strategy; with the need to demonstrate optimal procurement numbers.
3. Overall, the refresh was found to be a mature process with a good understanding of the key factors determining the refresh frequency and accordingly a reasonable assurance was determined.

Comments:

Chris Turley recognised the useful suggestions in the report especially in respect of the contract award approval process.

Trish Mills explained it had been an ideal opportunity to reconsider the scheme of delegation and the scheme of reservation under the standing orders. A governance practice note has been developed regarding the interpretation of standing orders particularly internally because as it aids in providing clarity on such matters. The practice note gives clarity on the approval of awards by the Trust Board and what details are required in business cases. It has been circulated to Audit colleagues for their consideration and feedback. It will come through to the April Audit committee meeting for approval and the endorsement of some changes to the scheme of reservation and delegation to address this.

The Chair added he had seen the proposed changes and was content with them.

ePCR (Electronic Patient Clinical Record) Clinical Compliance – The opinion was reasonable. Felicity Quance explained that the purpose of the audit was to review the operational deployment of the ePCR being developed and assess compliance.

Some of the key points to highlight included:

1. There were sufficient resources available to all staff in respect of how to use and how to complete ePCR.
2. Training compliance is reported at 94.8% and it was noted that staff self-certify their completion on the Electronic Staff Register (ESR).
3. It was not that some of the training modules appeared from the auditor perspective to be quite lengthy, with a recommendation to see if they could be streamlined.
4. In relation to an ePCR being completed for every patient contact it was noted there were some exemptions applicable for 3rd party responders who would complete paper records.
5. Management information relating to the completion of ePCRs was regularly reported and monitored, with any issues investigated and escalated where necessary. It was noted there had been some issues with data quality and data limitations to reporting. Work was ongoing to upgrade the software to facilitate this process more efficiently.
6. One of the aims of ePCR was to try and identify the improved performance against the clinical indicators; it was not yet showing improvement expected at this point in time for the clinical indicators being presented to the Emergency Ambulance Services Committee (EASC) but clinical data assurance audits were being undertaken to measure compliance to help inform the information required in relation to subsequent software updates.

Duncan Robertson acknowledged there were several actions in the review which were being progressed to completion. He added that in terms of the data quality and the compliance dashboards this was being looked at and how all that fed into the Trust's approach to clinical indicators from the perspective of the user interface on an ePCR.

The Committee queried connectivity for Paramedics in areas where on occasion this was non-existent. Jonny Sammut explained there had been some connectivity issues with EE who had recently replaced some of their core infrastructure which had caused some intermittent issues, particularly in west Wales. A formal escalation has been sent to the EE

account director. Overall, connectivity in Wales was, compared to the rest of UK, relatively poor due to the vast difference in the number of masts. From a longer-term perspective, the ambulance radio programme solution will be replacing terminals in ambulances which will in effect create a rolling Wi-Fi spot. The Trust was also working with Health Boards around improving Wi-Fi coverage in hospitals.

RESOLVED: The Committee:

- (1) Approved the Internal Audit Plan for 2024/25;**
- (2) Approved the Internal Audit Charter;**
- (3) Approved the following changes to the approved 2023/24 IA plan, the deferment of the Delivery of Major Change Programmes and deferment of the Integrated Quality and Performance Management Framework IA reviews.**
- (4) Noted the associated Internal Audit resource requirements and Key Performance Indicators; and**
- (5) Received the following IA reports: Decarbonisation, Serious Adverse Incidents Joint Investigation Framework, Strategy Development, Retention of Staff, 111 Service Commissioning Arrangements (Advisory), Capital Assurance: Vehicle Replacement Programme and ePCR (Electronic Patient Clinical Record) Clinical Compliance.**

05/24 AUDIT WALES REPORTS

Audit Committee Update Report

Fflur Jones presented the report outlining details of work currently underway or planned. This included the review of unscheduled care, workforce planning and the structured assessment and the deep dive into financial efficiencies. Furthermore, there will be a follow up review of quality governance arrangements which the field work will be commencing soon.

The Committee queried if there were any issues regarding resourcing. Fflur Jones explained there were no current issues; there have been two changes in the team but there were no gaps in terms of resources.

Structured Assessment

Fflur Jones explained that the structured assessment was conducted annually at all NHS bodies, and it focused on governance, planning and financial resource usage. This year's report was mostly positive highlighting well run meetings and oversight of key risk areas.

Areas for improvement included the reviewing of outdated policies and enhancing the effectiveness of the Board Assurance Framework (BAF) to make it more strategic. It was found that the Trust has reasonable and well considered plans for addressing these issues.

The Trust maintains robust arrangements for developing and obtaining approval for the IMTP from Welsh Government. However, there is room for improvement in ensuring that actions are specific, measurable, achievable, realistic and time bound. Emphasising reporting on the delivery of intended outcomes rather than just on the actions taken could enhance effectiveness even further.

In relation to finances the Trust continues to demonstrate strong financial performance both annually and over a three-year period. Financial planning is robust considering the unique and ongoing risks related to the system pressures and limited additional funding. Suggestions were made to enhance financial reporting and oversight to clarify recurrent versus non recurrent funding levels for further consideration.

Fflur Jones expressed her gratitude to everyone involved in engaging with the work. Positive discussions have ensued regarding the recommendations made and there is optimism about how the Trust can utilise these to progress positively.

Chris Turley explained there was general contentment with the report and advised that work on the recommendations would be progressed.

Trish Mills highlighted the close collaboration between Audit Wales and the Trust particularly regarding the joint approach to the BAF which has proven beneficial. The Trust is continually refining the BAF and utilising it for the development of its strategic objectives. Additionally, the report has reflected the implementation of recommendations from effectiveness reviews which are incorporated either into this year's IMTP or a local directorate plan.

The Committee acknowledged the excellent work of the governance team and the progress being made.

RESOLVED: The Committee received the Audit Wales update report and the SA,

06/24 RISK MANAGEMENT AND BOARD ASSURANCE FRAMEWORK

Julie Boach explained that the purpose of the report was to provide assurance in respect of the management of the Trust's principal risks and an update on the risk management transformation programme. There were 14 principal risks which are outlined in more detail in the Board Assurance Framework (BAF).

Key areas for the Committee's attention:

1. As reported at the last Board meeting; Risk 139 (Failure to Deliver our Statutory Financial Duties in accordance with legislation) has achieved its target risk score of 8 (2x4). The risk has reduced in score from 16 (4x4) and will remain on the Corporate Risk Register (CRR) and continue to be monitored in month and it is expected that the risk score will increase in the next financial year due to the challenging financial climate.
2. Risk 594 (The Trust's inability to provide a civil contingency response in the event of a major incident and maintain business continuity causing patient harm and death) was increased in score from 15 (3x5) to 20 (4x5) along with Risk 163 (Maintaining Effective and Strong Trade Union Partnerships) from 16 (4x4) to 20 (5x4). In terms of risk 594, since the increase in score Health Boards have agreed to implement policies to ensure the release of ambulances; noting that the score will be reviewed in the next reporting period.
3. The title of Risk 424 was amended to include a reference to revenue, capital and staff capacity and now reads Resource availability (revenue, capital, and staff capacity) to deliver the organisation's Integrated Medium-Term Plan (IMTP).
4. Risk 201(A loss of stakeholder confidence that damages the Trust's reputation), work was ongoing to strengthen the description of the risk to align it more closely to the Trust achieving its strategic objectives.

Comments:

The Chair referred to risk 223 (The Trust's inability to reach patients in the community causing patient harm and death) and 224 (Significant handover delays outside A&E departments impacts on access to definitive care being delayed and affects the Trust's ability to provide a safe and effective service) as risks mainly outside of the Trust's control and queried whether it was possible to articulate such risks differently to delineate what was in the Trust's control. Julie Boalch advised this has been a regular discussion at Committees adding that external support has been commissioned to provide advice and guidance to manage these more effectively.

The Chair noted that the risk to capital rather than revenue was more of an issue and queried if this needed to be drawn out more explicitly at this moment in time given the implications on a delayed, in particular fleet replacement policy. Chris Turley explained there was a differential potentially in terms of the revenue uplift compared to the expected capital funding. He added that work was ongoing to address this potential issue.

Angela Lewis referred to Risk 163 (Maintaining Effective and Strong Trade Union Partnerships) adding there had been significant progress in this area and anticipated the score would be reduced further by the next Audit Committee meeting.

Progress against the Risk Management Transformation Programme

The Risk Transformation Programme enters its third and final year as set out in the 2024/25 IMTP. External support has been commissioned to support the team to progress the programme advising on best practice in areas such as the strategic BAF, risk appetite and exploring options for digitising the BAF. The programme will see the delivery risk management training for the Board and across the organisation building on bespoke sessions already on offer to staff groups, risk leads and directorates. As previously mentioned, external support will also provide guidance in this area; a report will be coming to the Committee to update on best practice going forward.

Risk Management Policy

The Risk Management Policy is before the Audit Committee for approval ahead of endorsement at Trust Board. Risk Management guidelines are available for staff, and procedures will be finalised for publication along with the Policy following Board endorsement on 28 March 2024. A set of guidelines are already available for colleagues across the Trust, and these will be procedures to support the delivery of the policy. The policy has followed due policy process from the drafting, and it has been shared with internal auditors as well for the comments and any queries.

Comments:

The Chair raised the possibility of strengthening the effectiveness of the third line of defence and how that collaborative way of working can provide good assurance for this committee.

Trish Mills informed the committee about the development of a document that would elaborate on the BAF and would detail how the lines of defence collaborated and functioned independently. This document along with changes to the risk policy will be presented to the Audit Committee in the future.

The Committee asked if the policy could be more explicit in terms of incorporating volunteers. Julie Boalch agreed for this to be incorporated.

RESOLVED: The Committee:

- (1) Noted the review of each principal risk including ratings and mitigating actions;**
- (2) Noted the reduction in risk score of Risk 139 to the target score of 8;**
- (3) Noted the increase in risk score of Risk 594 from 15 to 20;**
- (4) Noted the increase in risk score of Risk 163 from 16 to 20;**

- (5) **Noted the amendment to the summary description of Risk 201;**
- (6) **Noted the amendment to the title of Risk 424;**
- (7) **Noted the update on the Risk Management Transformation Programme; and**
- (8) **Approved the Risk Management Policy.**

07/24 AUDIT TRACKER 2.0 - DECEMBER 2023

Trish Mills advised that the update provided the Committee with the current position with respect to management actions for overall and within the purview of the Committee.

Good progress has been made on the development of the SharePoint solution for Tracker 3.0 with colleagues in Digital Health and Care Wales Centre of Excellence. It is intended that this solution will be ready to implement / use early in the 2024/25 financial year.

The Audit Tracker has been updated in Quarter three following its complete revision in Quarter two and again there has been excellent engagement from Directorates. Across the Tracker as a whole, 18.2% of the internal audit recommendations were closed in quarter and there are actions with a change in date proposed, many of which are due to be closed in Quarter four or Quarter one of 2024/25.

As well as monitoring management actions for audits in their purview, the Audit Committee has the responsibility to scrutinise the progress of audits overall, escalating to the Board any issues or concerns.

Discussions have also taken place on historical actions and those where management actions may need to be amended in view of the current operating context. There has been some traction with these, and discussions will continue into Q4 with a view to closing down or revising as many as possible.

Comment:

The Committee welcomed the progress and agreed that less was more in terms of the information being provided.

RESOLVED: The Committee received assurance that the management actions for the audits within the purview of this Committee and overall are being effectively and appropriately managed and closed off in quarter.

08/24 QUEST COMMITTEE HIGHLIGHT REPORT DATED 8 FEBRUARY 2024

Trish Mills explained this was to give assurance to the Audit Committee that the Clinical Audit Plan for 2024/25 which was under the remit of the Quality, Patient Experience and Safety Committee (Quest), has been reviewed and approved. It is cycled on each committee

meeting for them to monitor the plan and approve any adjustments to it so this will be an annual assurance report that comes from the Chair of the Quest Committee.

RESOLVED: The Committee noted the approval of the Clinical Audit Plan 2024/25 at the QuEST Committee meeting on 8 February 2024.

09/24 LOSSES AND SPECIAL PAYMENTS

Chris Turley presented the report to the Committee which set out a summary and full details of all Losses and Special Payments made during the ten months from 1 April 2023 to 31 January 2024.

This relates to actual payments made less reimbursements received from the Welsh Risk Pool and does not relate to any adjustments made to the provision. During the ten months to 31 January 2024 payments made exceeded the reimbursements received by £522.94k.

He added that a series deep dives looking at the key themes had been conducted two/three years ago to discover any themes and trends and what learning had been implemented. From a benchmarking perspective following these deep dives there had been no real areas of significance. He wondered, especially from a learning perspective if this should be reinstated going forward.

Following a query as to why these reports were received in this format, Chris Turley advised that the detail in the report were as a consequence when ordinarily the Trust should not have incurred costs.

The Committee suggested it would be useful to have more context in terms of the losses and special payments going forward. They also noted there had been some value in the deep dives.

RESOLVED: The Losses and Special Payments Report for the period 1 April 2023 to 31 December 2023 were received and noted.

10/24 POLICY REPORT

Julie Boalch explained that the purpose of the report is to provide an update to the Committee on the status of the Trust's policy work programme to bring key policies up to date.

The work plans are progressing well, with good levels of activity taking place to refresh existing policies and develop new ones. A reasonable number of policies are navigating the Trust's policy governance process through to approval.

As a result of the work undertaken to date, 33% of Trust owned policies will be within their review date after the next round of approvals compared to 14% overall reported to Committee in July 2023. This figure does not include those policies developed by NHS Wales or the NHS Employers Unit which are adopted by the Trust.

Counter Fraud, Bribery and Corruption Policy

Carl Window advised the policy provides a framework for responding to suspicions of fraud, providing advice and information on various aspects of fraud and implications of an investigation.

This policy had no significant changes since the last review, other than to replace old references and make use of the new WAST policy template.

Comments:

In terms of shared learning Carl Window added that other Health Boards and Trust's follow the same guidance on a national level which complies with Welsh government standards to ensure consistency.

Members asked if the policy could make specific reference to volunteers. Carl Window agreed to ensure this was included.

RESOLVED: The Committee:

- (1) Noted the update and next steps; and**
- (2) Approved the Counter Fraud, Bribery and Corruption Policy, subject to the inclusion of a reference to volunteers.**

11/24 COMMITTEE PRIORITIES AND CYCLE OF BUSINESS MONITORING REPORT

The report updated the Committee on progress against the priorities it set for 2023/24 and progress against the agreed cycle of business for the Committee. There are no matters to escalate with respect to the Priorities.

RESOLVED: The Committee Priorities and Cycle of Business Monitoring Report for 2023/24 was noted.

12/24 AUDIT COMMITTEE HIGHLIGHT REPORT – 30 NOVEMBER 2023

The Audit Committee Highlight report from the meeting of 30 November 2023 was presented for noting.

RESOLVED: The Audit Committee Highlight report from the meeting of 30 November 2023 was noted.

13/24 ALL WALES AUDIT COMMITTEE CHAIRS REPORT (NOVEMBER 2023)

The report was presented for information.

It was noted that Swansea Bay Health Board had taken over the secretariat for all Wales Audit Committee Chairs meetings.

RESOLVED: The all Wales Chairs report from November 2023 was noted.

14/24 REFLECTIONS & SUMMARY OF DECISIONS AND ACTIONS

The excellent standard and presentation of papers was noted.

The system of internal control assurances was very good. A key theme was to try and delineate against risk and issues about things outside to the Trust's control.

It was good to see several people who are not prescribed attendees on the terms of reference both coming to observe but also to present reports.

The hybrid approach to the meeting was welcomed.

It was helpful to have the transparent conversations on items, significantly around decarbonisation and serious adverse incidents and the increased scrutiny was welcomed.

The efficient and effective chairing of the meeting was welcomed.

It was good to see the positive conversations mature, develop and challenge which was a vital piece of work for Non-Executive Directors.

Key messages for the Board would be captured in the AAA report.

RESOLVED: The above was noted.

Meeting concluded at: 12:30

Date of Next Meeting: 30 April 2024