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Welsh Ambulance Services
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AUDIT, RISK AND ASSURANCE COMMITTEE HIGHLIGHT REPORT TO BOARD

This report provides the Board with key escalation and discussion points at the last Committee meeting. A full list of items discussed appears at the end of the report to enable members to raise any questions to the Chair which have not been drawn out in the report. The papers for these meetings can be found by following this [link](#) to the Committee page on the Trust website.

Trust Board Meeting Date	25 July 2024
Committee Meeting Date	7 June 2024 and 10 July 2024
Chair	Peter Curran

KEY ESCALATION AND DISCUSSION POINTS

ALERT

(Alert the Board to areas of attention)

1. The 10 July meeting **endorsed the 2023-24 Annual Accounts and Annual Report**, as well as the **Letter of Representation**, and the **Duty of Quality Annual Report 2023-24**. Of note:
 - The final audited accounts demonstrated that the Trust has:
 - A retained surplus of £0.085 million for the 2023/24 financial year;
 - Met its financial duty to break even over the 3 years 2021/2022 to 2023/2024.
 - Expended Capital Investment funds of £25.301 million (including IFRS16 leases funding), thereby utilising 100% of the Trust's Welsh Government set Capital Expenditure Limit;
 - Achieved Public Sector Payments Policy (PSP) of 96.4% within 30 days against the 95% target.
 - The financial statements were free of material misstatements; there are a number of corrected and a very small number of agreed uncorrected misstatements. The corrected misstatements were reflected in the accounts and all misstatements reported within the auditors ISA 260 report. None of the corrected misstatements affect the disclosed surplus of £0.085 million.
 - Audit Wales provided their report (**ISA 260**) that indicated it is the intention of the Auditor General for Wales to issue an unqualified certificate and report on the 2023/24 financial statements, citing that they provide a true and fair view of the Trust's finances in the 2023/24 financial year.
 - The **Duty of Quality Annual Report**, a requirement under the Health and Social Care (Quality and Engagement) (Wales) Act 2020, was received and it was noted that the Quality, Patient Experience and Safety Committee had received this in May.



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2. The committee expressed appreciation for the teams responsible for developing these reports, recognising their dedication to transparency and responsible management. The committee acknowledged that the early availability of the documents, combined with continuous monitoring and examination by the board committees throughout the year, facilitated a seamless approval at this meeting
3. The draft **2023/24 Head of Internal Audit Opinion** was received at the June meeting and was subsequently finalised for inclusion in the 2023/24 Annual Report. The opinion found that the Board can take Reasonable Assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved. The committee were assured that this was a very comfortable and positive level of assurance and has remained stable over the last few years.

ADVISE

(Detail any areas of on-going monitoring, approvals, or new developments to be communicated)

4. The **Scheme of Reservation and Delegation of Powers** was presented again to the July meeting for a further amendment following approved amendments in April. The amendments which were endorsed by the Committee provide clarity around the approval of contracts by the board and authorization for tenders. The Board will have this item before it at its 25 July meeting for approval.
5. A **pre-meet** was held with Audit Wales, Internal Audit and the Committee Chair ahead of the June meeting.
6. **Governance Practice Notes** renewals were approved for Private Board and Committee Business (No. 002) and for Chairs Action (No. 003). These notes draw out with more specificity the application of those parts of the Standing Orders that deal with these two issues. This provides clarity and process.
7. Members **reflected** in the June meeting that despite capacity limitations, the future goals regarding scrutiny and assurance are optimistic and supported. They appreciated the pre-meetings with the Chair and auditors, as well as the display of quality improvement during the pre-meetings involving the committee Chair and Non-Executive Directors. Reflections from the July meeting included the spirit of collaborative with which the Trust, Audit Wales, and Internal Audit work to on the end of year reports, providing additional confidence and assurance for all parties.

ASSURE

(Detail here any areas of assurance the Committee has received)

8. Progress against the **2023/24 Internal Audit Plan** was received at the June meeting. At that time there were three remaining audits for the 2023/24 audit plan, two of which had been completed by the July meeting and all of which would be presented to the September committee meeting. The following **Internal Audits** reviews were completed during the quarter and presented to the Committee in June:



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- **Follow Up Audit – reasonable assurance.** The purpose of this audit was to provide assurance on the status of implemented recommendations on the audit tracker and review the systems and arrangements the Trust has in place to monitor progress with the implementation of actions.
 - **Clinical Audit – reasonable assurance.** The purpose of this audit was reviewing the process for clinical audit including how it is used by committees of the Trust to support assurance. The committee commended this result given that a previous audit had returned limited assurance in this area.
9. At the June meeting the **Audit Wales Update** was received and progress against the audit of the Trust's 2023/24 financial statements and annual report noted with no escalations. Planned work for the Trust for 2024 includes a national deep dive into financial efficiencies and a follow up of the Review of Quality Governance Arrangements, both of which are underway and will be reported in September. The core Structured Assessment brief for 2024 is being considered by the Trust. A deep dive review of investment in digital systems to support service resilience and transformation is being scoped for the Autumn.
- The review of unscheduled care report part two (accessing urgent and emergency care) is underway and will come to the committee in September.
10. The Board will recall previous AAA reports from this and other Committees noting that the number of **Policies** within their review date fell below reasonable levels during the Covid-19 pandemic as the policy work plan was largely paused and efforts directed to support the response. The Committee has oversight of the work plans to review and update these policies and agreed a prioritisation list for 2023/24 and 2024/25. At the June meeting the committee commended the teams and policy owners in the significant shift in the work programme, with 34% of Trust owned policies now within their review date compared to 14% overall reported to Committee in July 2023, rising to an expected 42% in Q2.
11. The **losses and special payments** made during the period 1st April 2024 to 30th April 2024 amounted to £44.63K net payments. The rationale for the reporting will be reviewed, noting it is required under the Standing Financial Instructions.
12. In private session in June the committee received the counter fraud update 01 March 2024 to 01 June 2024 as well as the report on **tenders and single tender waiver requests**. The **Local Counter Fraud Service (LCFS)** provided an update on its work in tackling fraud, bribery and corruption in the Trust and presented the Counter Fraud Annual Report for 2023-24 and the Annual Work Plan for 2024-25. The Work Plan includes the planned activities for 2024-25 and the Annual Report summarises the work completed throughout 2023-24. It was noted that throughout 2023-24 the volume of referrals to the counter fraud service for investigation has doubled; a trend observed throughout the NHS in Wales, potentially due to an increase in awareness of counter fraud and therefore an increase in reporting. The Committee noted that there are currently 39 recorded ongoing investigations by LCFS. The Committee discussed the themes and trends observed regarding the cases, including the impact of investigatory activity on staff well-being. The Committee approved the Counter Fraud Service's Annual Report from 2023-24 and Workplan for 2024-25.



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13. An update was received on the revised **Audit Tracker** in June. The committee noted excellent engagement with Directorates on the revised Tracker 2.0, for Q4, with the result that of the total of 162 internal audit actions on the Tracker, 64 have been closed in quarter. The committee noted that of those that were not closed there is more information on how the risk that was raised by the recommendation are being mitigated in the narrative. It was noted that reporting of the audit tracker is developing to enable the Audit Committee to monitor overall progress in a more meaningful way.
14. The **Committee’s cycle of business** monitoring report was reviewed in June with annual filings being received at an extraordinary meeting in July.

RISK MANAGEMENT

The Committee is responsible for the review of the risk management framework and received assurance in June on the principal risk activity in Quarter 1. Specific updates were provided in relation to the movement in scores on Risk 163 from 20 to 16 and Risk 424 from 16 to 12; Risk 543 and Risk 283 achieved their target scores and will be managed at a directorate level with Risk 458 being closed from all registers. Two new risks were included on the Corporate Risk Register: Risk 542 at a score of 16 and Risk 623 at a score of 15.

The Committee reviewed progress against the Risk Management Transformation Programme noting that the Trust had commissioned external support from BDO to provide advice and guidance to the team in three key areas; development of a strategic BAF that reflects more closely the Trust’s strategic objectives against its long-term strategy – Delivering Excellence: Vision 2030, the development of a series of strategic risks and risk appetite statements and consideration of a different approach to articulating, managing and monitoring the Trust’s highest scoring risks, 223 and 224.

COMMITTEE AGENDA FOR MEETING IN JUNE

Internal audit update and related audits	Audit Wales update report	Risk management and board assurance framework
Audit tracker	Policy report	Review of governance practice notes
Losses and special payments	Committee priorities and cycle of business monitoring	

COMMITTEE AGENDA FOR MEETING IN JULY

2023-24 Annual Accounts and Annual Report and Recommendation to Trust Board	Duty of Quality Annual Report	Further amendment to the Scheme of Reservation and Delegation of Powers
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COMMITTEE ATTENDANCE						
Name	30 April 2024	7 June 2024 ¹	10 July 2024 ²	12 Sep 2024	21 Nov 2024	6 Mar 2024
Peter Curran						
Kevin Davies						
Joga Singh						
Ceri Jackson						
Chris Turley						
Audit Wales	Fflur Jones ³	Fflur Jones	Yvonne Thomas			
Julie Boalch						
Judith Bryce						
Christian Fox						
Angie Lewis						
Osian Lloyd						
Trish Mills						
Liam Williams						
Carl Window						
Damon Turner						

	Attended
	Deputy attended
	Apologies received
	No longer member

¹ Jason Killens and Jonny Sammut joined this meeting

² Jason Killens and Rachel Marsh joined this meeting

³ Darren Griffiths and Amy Lord also attended