

WELSH AMBULANCE SERVICES NHS TRUST

CONFIRMED MINUTES OF THE OPEN MEETING OF THE AUDIT COMMITTEE OF THE WELSH AMBULANCE SERVICES NHS TRUST HELD ON THURSDAY 2 MARCH 2023 VIA TEAMS

Meeting Commenced at 09:30

PRESENT :

Martin Turner	Non-Executive Director and Committee Chair
Paul Hollard	Non-Executive Director
Ceri Jackson	Non-Executive Director
Joga Singh	Non-Executive Director

IN ATTENDANCE :

Judith Bryce	Assistant Director of Operations
David Butler	Internal Audit (Left after Item 2/23)
Kevin Davies	Non-Executive Director and Vice Chair of the Board
Colin Dennis	Chair of the Board (Left after Item 2/23)
Andrew Doughton	Audit Wales
Estelle Hitchon	Director of Partnerships and Engagement
Fflur Jones	Audit Wales
Navin Kalia	Deputy Director of Finance and Corporate Resources
Jason Killens	Chief Executive Officer (Left after Item 2/23)
Angela Lewis	Director of Workforce and Organisational Development (Left after Item 2/23)
Martyn Lewis	Internal Audit
Osian Lloyd	Head of Internal Audit
Gareth Lucey	Audit Wales
Trish Mills	Board Secretary
Steve Owen	Corporate Governance Officer
Hugh Parry	Trade Union Partner
Alex Payne	Corporate Governance Manager
Jessica Price	Deputy Head of Financial Accounting
Felicity Quance	Internal Audit
Duncan Robertson	Interim Assistant Director of Audit, Research and Service Improvement
Leanne Smith	Interim Director of Digital Services (Left after Item 2/23)
Paul Seppman	Trade Union Partner
Chris Turley	Executive Director of Finance and Corporate Resources
Carl Window	Counter Fraud Manager

APOLOGIES:

Lee Brooks
Damon Turner
Liam Williams

Executive Director of Operations
Trade Union Partner
Executive Director of Quality and Nursing

01/23 PROCEDURAL MATTERS

The Chair welcomed all to the meeting and advised that it was being audio recorded.

The Minutes of the open session of the Audit Committee meeting held on 1 December 2022 were confirmed as a correct record.

Declarations of Interest, other than those listed in the Declarations of Interest register there were no further declarations.

RESOLVED: The Minutes of the meeting held on 1 December 2022 were confirmed as a correct record.

02/23 INTERNAL AUDIT (IA) REPORTS

Osian Lloyd in updating the Committee gave an overview of the progress report and the internal audit plan for 2023/24. In terms of progress, he advised that the team were on track to deliver the IA programme. In terms of developing the plan for 2023/23 he thanked the Trust for their cooperation and support.

There were three proposed changes to the current plan in which the Committee's approval was sought; two of which related to health and safety and clinical handover related requests, and the request was to defer these from Q4 to Q1. The third was to request that Strategy Development be included in next year's plan to allow time for processes to embed.

Osian Lloyd drew the Committee's attention to the fees outlined in the Draft Internal Audit Charter which were calculated based on an estimate of the NHS inflationary uplift figures for next year. The cost to the Trust for IA conducting their work next year had been calculated at £58,130.

Comments

In terms of the ICT contract management IA the Committee sought assurance on whether cyber security would be considered as part of the audit and also if value for money (VFM) was also considered, Osian Lloyd explained that VFM would be considered as part of the ICT contract management procurement. Leanne Smith added that cyber security would form part of the scope of the audit.

The Committee welcomed the IA plan and going forward requested that a Gantt chart be produced on Internal Audit reviews to illustrate work completed over a period of time in relation to the time planned for the work. Osian Lloyd agreed to provide this for the next meeting.

Clarity was sought on the Trust's Medical Director in terms of their input into any clinical audits. Osian Lloyd explained that the Director of Paramedicine was the point of contact for any clinical audits.

The Committee noted there was no plan to review staff sickness. Osian Lloyd explained there were other areas in the workforce which were being prioritised. Paul Hollard advised that the People and Culture Committee would monitor the evaluations from the wellbeing service as part of the audit plan. Jason Killens commented that staff sickness was on an improving trajectory which suggested that the new actions in place in dealing with short and long term sickness were having a positive effect.

Osian Lloyd then provided an overview on the following IA reviews that had been carried out by his Team:

Immediate Release Directions (IRD) – Reasonable Assurance

This audit considered the effectiveness of the measures in place to immediately release ambulances outside hospitals to respond to patients' needs in the community. It was noted there had been a significant volume of IRDs which reflected the pressure on the unscheduled care system at the time of the review.

The review was rated as reasonable which indicated a positive assessment of the arrangements in place. In terms of the findings, there were two high priority and three medium priority findings raised. The two high priority findings related to the escalation of decline direction to the operational delivery unit and the completion of Datix incidents which should be in a timely manner following each decline. The medium priority findings related to the need of allocators to review information prior to release of vehicles and analysing and capturing any themes and trends.

Judith Bryce added that compliance has improved, particularly with Red calls, noting there was variation across all Health Boards in Wales.

Comments:

Clarity was sought on the date for reviewing the IRD protocol. Judith Bryce explained that the protocol had been reviewed recently with very few changes.

Following a query on the variation across Health Board with decline rates, Judith Bryce added it was a continual work in progress to understand some of the patient flow issues at hospitals. The Trust would be conducting work to understand on more detail the reasons for refusals.

Members were keen to understand the process involved with the escalation of refusals from the Control Room to the Operational Delivery Unit. Judith Bryce advised that further work was underway to review and improve the current process.

Infection Prevention and Control (IPC) – Reasonable Assurance

The purpose of this audit was to assess the adherence to the organisational policies and the standards for health services in Wales and to consider progress in the recommendations raised in the 2019/20 limited assurance report on cleaning standards.

In terms of the findings, there was one high, five medium and one low priority findings. The high priority finding related to the IPC audit noting that the spot checks were not yet underway following the suspension during the pandemic. The medium priority findings related to the fact the other supporting policies and procedures to the overarching IPC policy should be more aligned; these should illustrate in more clarity IPC responsibilities, governance arrangements and ownership. Other medium priority findings included issues around operational membership of the IPC strategic group surrounding the membership which required formalisation. There were also issues in terms of the IPC action plan which required further clarity with regards to timelines and also clarity was required in respect of the ongoing performance and reporting arrangements.

Data Analysis – Reasonable Assurance

Martyn Lewis explained that the aim of the audit was to assess the processes in place for the use of data and the foundations for being a data led organisation.

The review confirmed that the Trust has the right tools and technology in place to ensure appropriate data governance and data quality.

An issue that had arisen was that Qlik sense software was out of date which may present a cyber risk if not resolved.

Comments

With regards to intelligence and internal data It was queried whether the audit took into account whether the Trust used any external intelligence. Martyn Lewis explained that the audit considered how the Trust used its own data and not external data. Leanne Smith added that the audit had focussed on the infrastructure and qualitative data; there were gaps in linking to external data sets which was being addressed. She added that the Trust was addressing the recommendations and actions and explained there were some challenges with capacity and resource particularly around the Qlik sense software. Members were advised that Qlik sense was an internal facing product and was not an entry point into the Trust.

Standards of Business Conduct: Declarations – Limited Assurance

Felicity Quance explained that the aim of the review was to review the compliance of standards of business conduct; this included the management arrangements around declarations of interest (D of I) and gifts and hospitality. The limited assurance was awarded based on two high priority findings and five medium findings.

The two high priority findings were; the absence of a centralised D of I register in line with other NHS bodies, it was however noted this was being developed and the requirement to strengthen the process surrounding the gifts and hospitality register.

Trish Mills assured the Committee that all the actions were being/have been addressed and gave an overview of the details which would be monitored through several for a including the Assistant Director Leadership Team. In terms of the D of I register; work was underway to improve the register. With regards to the gifts and hospitality register, all forms will be reviewed and enhanced to improve completion.

Carl Window asked, from a fraud perspective, whether there was scope for D of I to be included in the annual PADR activity and whether it could extend to secondary employment, which may not always be documented. Trish Mills added that an appropriate electronic solution was being considered to facilitate this.

Integrated Medium Term Plan (IMTP) – Delivery – Reasonable Assurance

Felicity Quance explained that the purpose of this review was to examine the governance framework and operations of the Strategic Transformation Board, and to assess the effectiveness in delivery of the change programme, as outlined in the IMTP.

The review included a sample of the transformational programmes which considered the EMS operational transformation, ambulance care transformation and gateway into care transformation programmes.

The review concluded there was a clear project methodology being applied for delivery and development of the programmes, also noting there were a number of projects and work streams in place to support this activity.

Going forward there was a need for the inclusion of programme quality management arrangements within the Project Initiation Documents (PID) and the roll out of programme level deliverable plans.

All Wales Decarbonisation

David Butler briefed the Committee that the review sought to review the progression of decarbonisation plans within the Trust, notably to achieve the Welsh Government target of achieving net zero by 2030.

The report had sought to identify best practice across Wales within an advisory report and therefore it was not necessary to provide an audit opinion; however, several recommendations have been provided.

A range of themes had been identified across Wales and included funding and resources. The Trust confirmed that adequate resource were in place and specific funding had been agreed for 2024 and 2025.

Chris Turley added that some of the recommendations were general and may apply to the Trust. In terms of resources (people) this had increased, and in respect of funding a confirmed level of capital funding had been agreed for the next two years.

Comments:

Members queried whether this work had been linked to the Audit Wales (AW) work. David Butler added that the findings from AW had been taken into account, and WAST would have been sighted on all the themes described in that report.

The Chair thanked the IA Team for all the reviews which provided the Committee with a better understanding from and external perspective.

RESOLVED: That

- (1) the IA progress report was noted and the changes to the IA plan as described were approved;**
- (2) the Internal Audit Charter was approved noting the resource requirement figure of £58,130;and**
- (3) the Internal Audit reviews as presented were received.**

03/23 AUDIT WALES REPORTS

Fflur Jones updated the Committee on the following which were outlined in the update report:

- Structured Assessment report (further details below)
- Ongoing progress with unscheduled review
- Upcoming work on workforce planning
- Information related to good practice exchange

Accounts Audit Update

Gareth Lucey updated the Committee on the following:

- Charitable Funds accounts were approved by the Board of Trustees on 16 February 2023 and certified by the auditor General on 17 February 2023.
- Initial planning work for the 2022/23 audit of the financial statements of the Trust was underway.

Structured Assessment (SA) 2022

Fflur Jones updated the Committee on the following:

- The SA reviewed the Trust's progress in four specific areas; Governance, Strategic planning, Finance, and the use of resources.
- Positive progress generally had been achieved within the four areas and six recommendations were made which were detailed further within the report; these were being addressed by the management.
- The Committee noted that the report had previously been presented to the Board at its January meeting.

Comments:

Committee Members discussed in detail the issue surrounding Non-Executive Director (NED) challenge and scrutiny at Board and Committee meetings which had been highlighted in the Structured Assessment. Trish Mills added that she had been in discussion with Audit Wales to consider resolving the issue by considering targeted methods for NEDs and other Board/Committee members to ask more probing questions. Members suggested that a wider debate with Board Members and Fflur Jones be held in order to discuss further, at an informal setting, to better understand the detail which led to highlight External Audits' view of NED scrutiny. Members recognised that the reports

clearly illustrated the level of scrutiny at Committee level, especially for the public to understand. Trish Mills advised it would be appropriate to conduct this at a Board development session and agreed to arrange it following agreement with Chair of the Trust Board.

Final Annual Audit Report 2022

Andrew Doughton presented the report as read noting it drew together the key recommendations from the Structured Assessment.

Comments:

Chris Turley asked the Committee to note that the Charity accounts for 2021/22 had been filed on 17 February 2023 after the required date of 31 January 2023, due to delays in the external audit.

Outline Audit Plan 2023

In introducing the report, Gareth Lucey explained it was in a slightly different format to previous years in that the outline plan was being presented for this meeting with the full audit plan being presented at the next Audit Committee meeting.

The reasons for this change were as follows:

- Introduction of a new auditing standard, International Standard for Auditing (ISA) 315 which has demanded a much more detailed planning process with more focus on IT systems.
- There has also been a requirement for Welsh Government to introduce new Statutory Instruments with retrospective changes to the accounting framework. This has impacted on Audit Wales's work on local governments, thereby absorbing a great deal of resource.

In terms of the fees for Audit Wales these were set out in the report noting there would be an increase in the region of 5% plus an increase of around 10% in response to ISA 315.

In line with other NHS bodies it was intended that the Trust's accounts would be certified by 31 July 2023.

Comments:

Chris Turley explained the challenges involved in preparing the accounts on time and expressed his concern with the elongated timeline in submission of the accounts. He advised that once Welsh Government had finalised and published its manual for accounts this would detail the final timelines for submitting accounts.

Members recognised the challenges as described by Chris Turley in particular acknowledging the capacity of the finance team which was a concern.

The Committee were keen to understand whether there would be a risk based view about the level of detail required by the Trust. Gareth Lucey assured the Committee that there will be significant focus on the risk assessment work; ultimately, the risk assessment will be

driven by an assessment of understanding how the accounts were compiled. This will also include an assessment of the Trust's IT infrastructure.

Following a query in respect of the fees, Gareth Lucey explained that the fees were currently an estimate of what the work will cost.

RESOLVED: That the Committee noted and received the reports, noting the detailed audit plan will be received at the next meeting.

04/23 ANNUAL FILINGS SCHEDULE 2022/23

Trish Mills gave an overview of the report noting that the dates at paragraph 6 (audit certification deadline) were likely to change. Once the Manual for Accounts had been received, the date for the Audit Committee to review the accounts and recommend for Board approval will be confirmed.

RESOLVED: The Annual Filings 2022-23 schedule was received, acknowledging that there will likely be changes to the dates presented due to the submission deadlines not yet having been confirmed by Welsh Government was approved.

05/23 ANNUAL ACCOUNTS UPDATE 2022/23

Chris Turley presented the report as read and drew their attention to the following point:

Last year several NHS organisations had a technical qualification on their accounts which was linked to the scheme which related to impacts on clinicians' pensions for the 2019/20 financial year, based on a Ministerial Direction. The impact involved pension tax implications for employers. As yet no one from the Trust has applied for this however a provision has been made for an individual concerned who has since left the Trust, should there be a future liability.

He added that correspondence has been received from the Pension Service that an estimated provision be applied for the individual in the Trust's accounts. It is contended by the Trust that this should not be the case; however, as it is a Ministerial Direction it must be complied with. Gareth Lucey added that should the position be confirmed and the amount therefore shown on the Trust's accounts, the accounts will be qualified (a decision for the Auditor General).

RESOLVED: The report was noted.

06/23 RISK MANAGEMENT AND BOARD ASSURANCE FRAMEWORK

Trish Mills gave an outline of the report and drew the Committee's attention to risks that had been added, increased/decreased in score, and risks that had been closed.

The Committee were also provided with an overview in terms of how the principal risks were processed and managed through several for a, culminating in oversight at Committee level with assurance on the higher rated risks being given to the Board.

Members were updated on the position of the Board Assurance Framework (BAF) which was currently in development, and was the tool which assisted in which the Board and Committees in their challenge and scrutiny of the risks.

The Committee were updated on the how the higher rated risks, which scored 20 and above, were escalated to the Board. Details of these risks were contained in the Committee highlight reports and also within the standalone risk report. Furthermore, Trish Mills proposed that the specific risk owners provide an update at Board on each of the higher rated risks in addition to the narrative as outlined in the Committee highlight reports.

In summary, Trish Mills concluded that the Structured Assessment had shown that generally, risk management was positive, acknowledging there was still further work to mature it further.

Comments:

A conversation ensued which considered at which forum scrutiny and oversight of the higher rated risks should be conducted. It was generally agreed that there was value at discussing the high-level risks at Board level. Members recognised that at each Board Committee meeting there was opportunity to scrutinise the higher rated risks, and to challenge Executive Leads where necessary. The Committees should conduct the detailed work, updating the Board through their highlight report and it was suggested that the principal risks were referenced throughout the Trust Board meeting as and when they emerged.

In terms of process, it was queried how principal risks were agreed. Trish Mills gave an overview of the process in which the levels of risk and scores were obtained. Further detail would be contained in the policy currently being developed which would outline what the various risks were, i.e., Directorate, Corporate or Strategic and how they would be managed.

Colin Dennis, Chair of the Board, advised the Committee that the Board delegated various tasks to Committees and agreed that the detailed scrutiny needs to be a Committee level. However, as a whole the Board had a responsibility to satisfy itself that the appropriate scrutiny of the principal risks was carried out; and by using the Committee highlight report and the Chairs of Committees' additional input, this should be adequate. Trish Mills reminded Members that currently the principal risks should drive the agenda of the Committees and be the main focus.

RESOLVED: The Committee discussed the content of the report and noted the proposed measures to strengthen the risk management framework.

07/23 AUDIT TRACKER

1. Trish Mills explained that the report provided an update in respect of audit recommendations resulting from Internal Audit and External Audit reviews; noting there was no audit tracker to support the report.
2. There were some proposed closure of audit actions which will be confirmed along with the updated tracker in preparation for the next meeting.

RESOLVED: The Committee noted the update.

08/23 LOSSES AND SPECIAL PAYMENTS – PAYMENTS FOR THE PERIOD 1 APRIL 2022 – 31 JANUARY 2023

The Committee were informed by Chris Turley that the total net losses and special payments made during this period amounted to £0.902m.

RESOLVED: That the losses and special payments report for the period 1 April 2022 – 31 January 2023 were noted.

09/23 CONSENT ITEMS

The following reports were presented for the Committee to note:

- Committee priorities report Quarter 4.
- December 2022 Committee Highlight Report.

RESOLVED: The Committee noted the reports.

10/23 SUMMARY OF ACTIONS AND DECISIONS AND KEY MESSAGES FOR BOARD

This would be drafted by Trish Mills.

Meeting concluded at: 12:09

Date of Next Meeting: 20 April 2023