

**UNCONFIRMED**

**DRAFT Minutes of the Audit and Assurance Committee  
held on 16 July 2020  
Via Microsoft Teams/Teleconference**

**Present:**

Gill Lewis Independent Member (Chair)  
John Hill Tout Independent Member (Vice Chair HEIW)  
Dr Ruth Hall Independent Member

**In Attendance:**

Dafydd Bebb Board Secretary  
Eifion Williams Director of Finance  
Martyn Pennell Head of Financial Accounting  
Paul Dalton Head of Internal Audit, (NWSSP)  
Emma Samways Deputy Head of Internal Audit (NWSSP)  
Mike Usher Engagement Director (Audit Wales)  
Clare James Performance Audit Lead, (Audit Wales)  
Craig Greenstock Counter Fraud Manager, (Cardiff & Vale UHB)  
Pushpinder Mangat Medical Director (Attendee for item 2.1 and Observer)  
Carwyn Rees Audit Wales (Observer)  
Kay Barrow Corporate Services Manager (Secretariat)

<b>PART 1</b>	<b>PRELIMINARY MATTERS</b>	<b>Action</b>
<b>AAC: 16/07/1.1</b>	<b>Welcome and Introductions</b>	
	The Chair welcomed everyone to the meeting and, in particular, Pushpinder Mangat (Medical Director) who was attending for agenda item 2.1 and as an observer. Carwyn Rees (Audit Wales) was also welcomed as an observer.	
<b>AAC: 16/07/1.2</b>	<b>Apologies for Absence</b>	
	Apologies were received from Helen Goddard (External Audit Manager, Audit Wales) and Helen James (Head of Procurement, NWSSP).	
<b>AAC: 16/07/1.3</b>	<b>Declarations of Interest</b>	
	There were no declarations of interest.	
<b>AAC: 16/07/1.4</b>	<b>Minutes of the Meeting held on 23 June 2020</b>	
	The minutes of the meeting held on 23 June 2020 were <b>received</b> and <b>approved</b> as an accurate record of the meeting.	
<b>AAC: 16/07/1.5</b>	<b>Action Log</b>	
	The Committee <b>received</b> and <b>considered</b> the Action Log from the meeting held on 23 June 2020.	

	<p>Dafydd Bebb advised that the Action Log contained a number of items that had been deferred because of the decision to streamline meeting agendas to concentrate on business-critical items and those matters related to the COVID 19 Pandemic. These items would be scheduled into the Committee Forward Work Programme as identified in the Action Log.</p> <p>The following updates were received:</p> <ul style="list-style-type: none"> <li>• <b>AAC 27/01/2.1 Independent Review of HEIW's Procurement systems and processes:</b> It was confirmed that the individual who had been commissioned to undertake the independent review had been diverted to focus on the procurement matters associated with the COVID 19 Pandemic. It was highlighted that the review would be picked up in the next few weeks and a report would be presented at the October Committee meeting.</li> <li>• <b>AAC 23/06/2.1.1 Audit Wales Counter Fraud Report:</b> It was clarified that the report on the Committee agenda was the Audit Wales Counter Fraud local report. It was anticipated that it could be discussed with the national report. However, the national report was to be published at the end of July 2020. The national and local reports would be discussed at the October Committee.</li> </ul>	
<b>Resolved</b>	The Committee <b>noted</b> the updates and that the action log would be updated to reflect the updates.	
<b>AAC: 16/07/1.6</b>	<b>Matters Arising</b>	
	There were no matters arising.	
<b>PART 2</b>	<b>MATTERS FOR CONSIDERATION</b>	
<b>AAC: 16/07/2.1</b>	<b>Medical Directorate ESR Compliance with Mandatory Training and PADR</b>	
	<p>The Committee received the latest ESR compliance update in relation to mandatory training and PADR.</p> <p>Pushpinder Mangat advised that the Medical Directorate consisted of over 50% of the HEIW workforce and was unique in its make up compared to other Directorates. He explained that the vast majority of the staff were not employed full-time within HEIW and also undertook clinical roles within other organisations. Due to the size of the Directorate it had a significant impact on the overall HEIW compliance rate.</p> <p>The Medical Directorate compliance for statutory and mandatory training was at 38% pre COVID 19. It was highlighted that there was a further deterioration from 38% to 31% as staff returned to their clinical roles to support the NHS response to COVID 19. The position was compounded further following the GMC letter to Chief Executives which notified the suspension for revalidation and appraisal until October 2020. However, due to the focussed work within the Directorate supported by the People Team, compliance was currently 61%. This was a significant improvement to the pre COVID 19 position but was below the required 85% target. Targeted action was ongoing to improve the position further. It was noted that there had been issues with some staff unable to access the ESR e-learning platform due to connectivity issues, whilst remote</p>	

	<p>working, and therefore unable to undertake their training. With Ty Dysgu now open this should enable those staff to access their e-learning.</p> <p>In relation to PADR, it was noted that progress had been made. It was confirmed that all PADRs for the Medical Director's direct reports had been completed. Each of those Senior Managers had been assigned an objective to ensure the completion of all PADRs for their respective staff. However, it was highlighted that there were emerging data anomalies within ESR for the recording of PADRs which differed to those locally held records. This was being investigated.</p> <p>The Committee was reassured that steady progress was being made to improve compliance.</p> <p>Discussion took place around whether alternative forms of evidence could be provided and uploaded onto HEIW's ESR system to demonstrate when statutory and/or mandatory training had been completed for those staff who worked in another NHS Wales organisation. The Committee questioned whether the ESR system was suitable for HEIW's purposes given the high proportion of staff that worked in more than one NHS role.</p> <p>Concern was raised in relation to the potential corporate reputational risk for HEIW, as a workforce and OD facing NHS organisation, and its position with statutory and mandatory training compliance, compared to the rest of NHS Wales</p>	
<b>Resolved</b>	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>noted</b> the position and the progress being made;</li> <li>• <b>requested</b> that the internal and/or external auditors, as part of their audit work, review whether the ESR system is fit for HEIW's purposes for the recording statutory and mandatory training for those staff who work in more than one NHS organisation.</li> </ul>	<b>Internal Audit/ External Audit</b>
<b>AAC: 16/07/2.2</b>	<b>Counter Fraud Progress Report</b>	
	<p>The Committee <b>received</b> the report.</p> <p>In presenting the report, Craig Greenstock advised that 10 days of commissioned work had been completed. One investigation had been undertaken which was still ongoing. An update on the investigation would be provided to the Committee in the closed session. The level of interest being shown by departments regarding fraud had increased with a number of invitations received for members of the Counter Fraud team to participate virtually in Team meetings. The Counter Fraud Team was also undertaking fraud awareness raising sessions as part of the ongoing Corporate Induction Programme which was being undertaken virtually using Microsoft Teams.</p> <p>The Committee was pleased to note that HEIW would be participating in the National Fraud Initiative for 2020/2021 which was aimed to help Public Bodies build their fraud detection capability through data matching at a national level. The findings from the initiative would be evaluated locally</p>	

	by the Counter Fraud Team and would also feed into the national work undertaken by Audit Wales.	
<b>Resolved</b>	The Committee: <ul style="list-style-type: none"> <li>• <b>noted</b> the progress;</li> <li>• <b>agreed</b> that the Director of Finance be kept informed about the uptake of fraud awareness sessions attended by Counter Fraud within HEIW;</li> <li>• <b>agreed</b> to receive feedback from the National Fraud Initiative for 2020/2021 at a future Committee meeting.</li> </ul>	<b>CG</b> <b>EW</b>
<b>AAC: 16/07/2.3</b>	<b>Internal Audit Progress Report</b>	
	The Committee <b>received</b> the report.  In presenting the report, Paul Dalton highlighted that status of the internal audit plan for 2020/2021. He explained that the review of Governance Arrangements during COVID 19 was an advisory audit and would be concluded within the next month.  The fieldwork for the medical commissioning monitoring internal audit had concluded and the draft report was to be considered by the Medical Director and his team before the final report was issued.	
<b>Resolved</b>	The Committee: <ul style="list-style-type: none"> <li>• <b>noted</b> the report;</li> <li>• <b>agreed</b> that the internal reports for the Governance Arrangements during COVID 19 and the Medical Commissioning Monitoring be presented to the October Committee;</li> <li>• <b>agreed</b> that any early findings from the Medical Commissioning Monitoring Internal Audit to be shared with the Chair of the Education, Commissioning &amp; Quality Committee.</li> </ul>	<b>Internal Audit</b> <b>PM</b>
<b>AAC: 16/07/2.4</b>	<b>Audit Wales:</b>	
<b>AAC: 16/07/2.4.1</b>	<b>Progress Report</b>	
	The Committee <b>received</b> the report.  In presenting the report, Mike Usher confirmed that HEIW's approved Accountability Report and Annual Accounts for 2019/2020 were certified by the Auditor General for Wales on 2 July 2020 and laid at the Senedd on 3 July 2020.  In terms of other Auditor General Studies, it was confirmed that the NHS Wales Finances Data Tool had been updated for 2019/2020 and would include HEIW for the first time. The interactive tool would allow trend analysis across Wales or by individual NHS body. The COVID rapid learning project was an online interactive resource that provided real time emerging reflections and knowledge sharing. It was also highlighted that the Good Practice Team would be recommencing their events from September 2020.	
<b>Resolved</b>	The Committee <b>noted</b> the report.	
<b>AAC: 16/07/2.4.2</b>	<b>Update on the Auditor General for Wales Programme of NHS Performance Audit Work</b>	
	The Committee <b>received</b> the letter.	

	<p>In presenting the letter, Clare James provided an overview of the changes that had been undertaken by Audit Wales regarding its approach to the NHS performance audit work. She explained the rationale for the changes to the existing elements of the work programme that were aimed to add value to existing activities.</p> <p>The Committee expressed an interest in the learning from the governance review of Welsh Health Specialised Services Committee which was deemed to be the closest organisation to HEIW given the high level of commissioning undertaken by both organisations.</p>	
<b>Resolved</b>	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>noted</b> the letter;</li> <li>• <b>requested</b> that Audit Wales share any pertinent learning points for HEIW from any relevant audit work undertaken locally and nationally.</li> </ul>	<b>Audit Wales</b>
	<p>Due to poor connectivity, Clare James had left the meeting. The remaining Audit Wales agenda items would be considered when Clare James re-joined the meeting.</p>	
<b>AAC: 16/07/2.5</b>	<b>Evaluation of Committee Effectiveness</b>	
	<p>The Committee <b>received</b> the report.</p> <p>In presenting the report, Dafydd Bebb provided an overview of the outcomes from the annual self-assessment exercise for 2019/2020 which had been undertaken in accordance with Section 8.2.1 of HEIW's Standing Orders.</p> <p>The Committee welcomed the evaluation which had provided a positive reflection for a full year of operation and supported the areas of focus for 2020/2021. It was clarified that the Procurement Strategy was scheduled to be considered by the Committee at its October meeting.</p> <p>In terms of the progress with assurance mapping aligned to the Board Assurance Framework, it was highlighted that progress in these areas had paused because of the COVID 19 Pandemic and the reframing of the risks in response to this.</p> <p>Whistleblowing had been highlighted as an area of concern. It was clarified that there was a national policy in place for the raising of concerns. The HEIW Chair was the senior Board member for the escalation of concerns, and this was because he sat outside of the Executive Team. The Board Secretary was the senior Executive with oversight of the whistleblowing process.</p> <p>Dafydd Bebb advised that HEIW was developing a Complaints Policy as a training and education body and focussed on students and trainees. Pushpinder Mangat advised that work was underway in relation to whistleblowing protection for doctors and dentists in training to be able to raise concerns without detriment. It was noted that Internal Audit would be undertaking an audit review of the raising concerns process within HEIW during the year.</p>	

<b>Resolved</b>	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>noted</b> the evaluation;</li> <li>• <b>agreed</b> that the evaluation be highlighted to the Board as part of the Committee Chair’s Key Issues Summary Board Report.</li> </ul>	<b>GL</b>
<b>AAC: 16/07/2.6</b>	<b>Temporary Amendments to HEIW’s Standing Orders</b>	
	<p>The Committee <b>received</b> the report.</p> <p>In presenting the report, Dafydd Bebb provided an overview of the temporary amendments to the Model Standing Orders. The proposed amendments related to extending the deadline for holding a HEIW Annual General Meeting and the term of office for Independent Members. However, it was highlighted that whilst neither of the temporary amendments were relevant to HEIW, the changes to the HEIW Standing Orders must be made in accordance with the directions given by the Welsh Ministers and applicable Regulations.</p> <p>It was highlighted that the temporary amendments were for a time limited period until 31 March 2021.</p>	
<b>Resolved</b>	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>noted</b> the temporary amendments;</li> <li>• <b>recommended</b> the temporary amendments to the HEIW Standing Order be submitted to the Board.</li> </ul>	<b>DB</b>
<b>AAC: 16/07/2.7</b>	<b>Information Governance Report</b>	
	<p>The Committee <b>received</b> the report.</p> <p>In presenting the report, Dafydd Bebb advised that good progress had been made in relation to the management actions contained within the information governance work plan. In particular, significant progress had been made regarding the development of the Information Asset Register.</p> <p>The Committee was pleased to see the progress being made but suggested that virtual training sessions be set up rather than waiting for ‘face to face’ sessions to be arranged when normal working is resumed.</p> <p>In terms of cyber security, it was highlighted that the Head of Cyber Security commenced in post on 29 June 2020 and was undertaking a review of cyber security arrangements and was developing an action plan to address any gaps identified.</p> <p>It was highlighted that the approach to FOI requests received during the COVID 19 Pandemic had been amended. Requesters had been invited to defer their request to a later date or, if still required, were advised that there may be a delay in responding to the request. 16 requests under the FOI Act had been received for the six-month period from 1 January 2020 to 30 June 2020 with compliance at 100%.</p> <p>The Committee wished to formally record its thanks to the staff involved in maintaining HEIW’s compliance with the FOI 20-day deadline for responding to requests.</p>	

<b>Resolved</b>	The Committee <b>noted</b> the report.	
<b>AAC: 16/07/2.8</b>	<b>Procurement Compliance Report</b>	
	Eifion Williams explained to the Committee that the Head of Procurement had been diverted during the COVID 19 Pandemic to assist in the procurement response to the PPE crisis. However, due to annual leave commitments it had not be possible to receive the Procurement Compliance report in time for the Committee. It was highlighted that procurement activity for HEIW had decreased during the COVID 19 Pandemic. The procurement activity report would be provided as normal at the next Committee meeting.	
<b>Resolved</b>	The Committee <b>noted</b> the position.	
<b>AAC: 16/07/2.9</b>	<b>Review of Risk Management Policy</b>	
	<p>The Committee <b>received</b> the Policy.</p> <p>In presenting the Policy, Dafydd Bebb advised that the Policy had been updated to reflect the audit recommendations from the Internal Audit report and Audit Wales Structured Assessment 2019. He explained that there was one additional amendment that was not reflected in the Policy being presented, in that the Board also had the power to remove a risk from the Corporate Risk Register. The Policy would be updated to reflect that the Board and Audit &amp; Assurance Committee can remove a risk from the Corporate Risk Register.</p> <p>The Committee considered the draft Policy and queried the rationale for the capturing of risk appetite using the RAG status. It was suggested that the risk appetite could be better reflected as either high, medium or low with no colour depiction or using a 1-10 scale with 1 as low and 10 as high.</p>	
<b>Resolved</b>	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>recommended</b> the Risk Management Policy to the Board, subject to the Executive Team considering amending the representation of the risk appetite within the risk register.</li> </ul>	<b>DB</b>
	Clare James re-joined the meeting.	
<b>AAC: 16/07/2.10</b>	<b>Audit Recommendations Tracker</b>	
	<p>The Committee <b>received</b> the report.</p> <p>In presenting the report, Dafydd Bebb advised that a number of the recommendations had been delayed due to the diverting of resources in response to the COVID 19 Pandemic. This had resulted in limited progress in some areas and a higher number of 'red' status recommendations.</p> <p>There were 42 current internal audit recommendations. Of the 16 that were overdue, two were categorised as high priority. There were 16 current external audit recommendations, of which seven were overdue.</p> <p>Whilst the Committee was pleased with the overall position, it was highlighted that it was not good practice for deadline dates not to be set.</p>	

	<p>Although it was recognised that the uncertainty because of the COVID 19 Pandemic restrictions and return to 'normal' working had made it difficult to predict new deadline dates. It was clarified that over the coming weeks there would be an increased focus on ensuring progress was being made and actions completed. The Structured Assessment for 2020 would also involve following up on the previous recommendations.</p> <p>It was clarified that the Audit Recommendations Tracker was considered and signed off by the Executive Team prior to being presented at the Committee.</p> <p>Mike Usher stated that the Audit Recommendations Tracker was working well in providing the Committee with assurance.</p>	
<b>Resolved</b>	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>noted</b> the progress;</li> <li>• <b>approved</b> the removal of the green recommendations that have been assessed as completed or are complete.</li> </ul>	<b>DB</b>
	Eifion Williams left the meeting.	
<b>AAC: 16/07/2.11</b>	<b>Structured Assessment – Project Brief</b>	
	<p>The Committee <b>received</b> the project brief.</p> <p>In presenting the brief, Clare James explained that the Structured Assessment work had been brought forward to align with the companion advisory work being undertaken by Internal Audit on the governance arrangements during COVID 19. It was highlighted that the approach for this year had been adapted for a shorter and more focussed review structured on the following areas:</p> <ul style="list-style-type: none"> <li>• Leadership and governance;</li> <li>• Financial management; and</li> <li>• Operational planning.</li> </ul> <p>The audit work would be undertaken virtually to include a range of formal interviews. Both Internal Audit and Audit Wales would combine certain elements of their audit work to avoid duplication and the burden on NHS bodies.</p> <p>The Committee raised a concern about the reduced focus on financial aspects but acknowledged the more focussed review in respect of governance and decision making.</p>	
<b>Resolved</b>	The Committee <b>noted</b> the project brief.	
<b>AAC: 16/07/2.12</b>	<b>Audit Wales Report: Effectiveness of Counter Fraud Arrangements – HEIW</b>	
	<p>The Committee <b>received</b> the report.</p> <p>In presenting the report, Claire James advised that it was the intention for Audit Wales to publish the findings of the public sector wide review of counter fraud services on 14 July 2020. However, due to a publishing glitch the national report had been deferred.</p>	



	<p>The report presented was the summary of the local findings for HEIW. However, it was highlighted that the local report would also need to be considered alongside the national report in order to provide a more contextual discussion.</p> <p>Concerns were raised in relation to one specific area of improvement regarding the resilience of the Local Counter Fraud Service (LCFS). The finding contradicted the all Wales position for counter fraud resources which showed HEIW with the highest ratio of LCFS WTE per 1,000 staff (headcount). It was clarified that the LCFS was a resource of three staff. To provide further resilience should the need arise, there was capacity to support the LCFS with 'buddy' arrangements within NHS Wales and also reciprocal arrangements in place from within the national NHS counter fraud authority.</p> <p>In terms of the number of days provided for HEIW, it was clarified that this was under constant review by the Director of Finance. Any changes to the provision would be raised with the Committee.</p> <p>It was acknowledged that the report reflected the current position and the collaborative work undertaken with fraud promotion and prevention.</p>	
<b>Resolved</b>	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>noted</b> the report;</li> <li>• <b>agreed</b> to consider the local report alongside the national Counter Fraud report at the October Committee.</li> </ul>	<b>Audit Wales</b>
<b>PART 3</b>	<b>FOR INFORMATION/NOTING</b>	
<b>AAC: 16/07/3.1</b>	<b>Education, Commissioning &amp; Quality Committee Annual Report 2019/2020</b>	
	<p>The Committee <b>received</b> the report.</p> <p>In presenting the report, Ruth Hall advised that this was the first annual report for the Committee. The report was a reflection on the breadth of Committee business considered during 2019/2020 and the themes for focussed consideration during 2020/2021.</p>	
<b>Resolved</b>	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>noted</b> the report;</li> <li>• <b>requested</b> that any comments be sent to the Chair of the Education, Commissioning &amp; Quality Committee within the next week.</li> </ul>	<b>All</b>
<b>AAC: 16/07/3.2</b>	<b>NHSCFA 2020 Strategic Intelligence Assessment Covering 2018-2019</b>	
	<p>The Committee <b>received</b> and <b>considered</b> the report.</p> <p>The Committee acknowledged that the report was useful. However, it queried whether areas within the report that were pertinent to HEIW were being taken forward. It was clarified that the report had been reviewed in relation to the impact on HEIW and a number of areas had been identified.</p>	
<b>Resolved</b>	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>noted</b> the report;</li> <li>• <b>agreed</b> that a report on the identified areas pertinent to HEIW, including case examples, would be presented at the October Committee.</li> </ul>	<b>CG</b>

	Eifion Williams re-joined the meeting.	
<b>AAC: 16/07/3.3</b>	<b>HEIW and Health Inspectorate Wales (HIW) Memorandum of Understanding (MOU)</b>	
	<p>The Committee <b>received</b> the MOU.</p> <p>In presenting the MOU, Dafydd Bebb highlighted that the purpose of the MOU was to clearly define the joint agreement and cooperation between HEIW and the HIW which sets out the nature of the exchange of information by both parties. It was highlighted that while HEIW's Executive Team was supportive of the MOU they had requested that the MOU be amended to clarify that HEIW was not a regulator and that the safeguarding perspective be emphasised in terms of data sharing.</p> <p>Ruth Hall welcomed the drive to improve quality and the need for the Education, Commissioning and Quality Committee to pick up ownership of the MOU going forward.</p>	
<b>Resolved</b>	The Committee <b>noted</b> the MOU between HIW and HEIW, taking into account the amendments suggested by the Executive Team to clarify that HEIW was not a regulator and that the safeguarding perspective be emphasised in terms of data sharing.	
<b>PART 4</b>	<b>CLOSE</b>	
<b>AAC: 16/07/4.1</b>	<b>Any Other Business</b>	
	There being no other business, the Committee resolved to go into closed session.	
<b>AAC: 16/07/4.2</b>	<b>Date of Next Meeting</b>	
	The date of the next meeting to be held on Tuesday, 20 October 2020 at 10:00am and to be confirmed to take place either via Microsoft Teams/Teleconference or to be held in Ty Dysgu, Nantgarw.	

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**Gill Lewis (Chair)**

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**Date:**