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**VELINDRE UNIVERSITY NHS TRUST AUDIT COMMITTEE FOR NHS WALES SHARED SERVICES PARTNERSHIP**

**MINUTES OF THE MEETING HELD ON**

**TUESDAY 11 OCTOBER 2022 / 14:00 – 16:00**

**BY TEAMS**

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| **EXPECTED ATTENDEES:** | | | |
| **ATTENDANCE** | **DESIGNATION** | | |
| **INDEPENDENT MEMBERS:** | | | | |
| Martin Veale (Chair) | Chair & Independent Member | | |
| Gareth Jones (GJ) | Independent Member | | |
| Vicky Morris (VM) | Independent member | | |
| **ATTENDANCE** | **DESIGNATION** | **ORGANISATION** |
| Neil Frow (NF) | Managing Director | NWSSP |
| Tracy Myhill (TM) | NWSSP Chair | NWSSP |
| Andy Butler (AB) | Director of Finance & Corporate Services | NWSSP |
| Peter Stephenson (PS) | Head of Finance & Business Improvement | NWSSP |
| Carly Wilce (CW) | Corporate Services Manager | NWSSP |
| Simon Cookson (SC) | Director of Audit & Assurance | NWSSP |
| James John (JJ) | Head of Internal Audit | NWSSP |
| Sophie Corbett (SCo) | Deputy Head of Internal Audit | NWSSP |
| Mark Weston (MW) | Local Counter Fraud Specialist | NWSSP |
| Linsay Payne (LP) | Deputy Director of Finance & Corporate Services | NWSSP |
| Murray Gard (item 4.2 only) | Audit Manager | NWSSP |
| Steve Ham (SH) | Chief Executive | Velindre |
| Lauren Fear (LF) | Director of Corporate Governance | Velindre |
| Matthew Bunce (MB) | Velindre NHS Trust Director of Finance | Velindre |
| Steve Wyndham (SW) | Audit Lead | Audit Wales |

| **Item** |  | **Action** |
| --- | --- | --- |
| 1. **STANDARD BUSINESS** | | |
| **1.1** | **Welcome and Opening Remarks**  Welcome was given to Murray Gard, Audit Manager for NWSSP Internal Audit who was attending the meeting to present two Advisory Reports to the Audit Committee. |  |
| **1.2** | **Apologies**  No apologies were received. |  |
| **1.3** | **Declarations of Interest**  None received. |  |
| **1.4** | **Minutes of Meeting held on 13 July 2022**  The minutes of the meeting held in July 2022 were AGREED as a true and accurate record of the meeting. |  |
| **1.5** | **Matters Arising from Meeting on 13 July 2022**  All matters arising are complete, in progress or on the agenda.   * VM queried as to when the Health & Care Standards would be brought to the Velindre Quality and Safety Committee. It was confirmed that the standards are currently being finalised and would be taken to the next Quality and Safety Committee meeting in November and would also come to the next Audit Committee in January 2023. | **PS** |
| **2.0** | **NWSSP Update**  NF provided an update to the Committee as to recent developments within NWSSP since the last meeting:   * The Integrated Medium-Term Plan (IMTP) acceptance letter from Judith Paget had been received and was on the agenda for information. The letter confirmed acceptance of the NWSSP IMTP which was described as robust and ambitious, and identified that NWSSP needs to become the catalyst for change in leading on the transformation agenda. * The Financial position is on track and the forecast outturn remains at a break-even position. The 2022-23 Welsh Risk Pool Risk Sharing Agreement will be invoked in line with the IMTP. Capital continues to be a challenge, as the allocation of capital funding was not increased following the transfer of the All Wales Laundries. However, funding for the Welsh Healthcare Student Hub (Student Bursary and streamlining) was approved by Welsh Government in September. * Technology is being introduced from the 1st of October in line with Home Office guidance which allows NWSSP to continue to undertake virtual pre-employment checks for successful applicants with a UK or Irish passport. All other new staff will now have to attend a face-to-face check. * 198 surplus critical care beds have been sent to a hospital in Moldova to support Ukrainian refugees following a request from a Charity which was authorised by Welsh Government. * A recruitment exercise had recently taken place for the role of Director of Specialist Estates Services, where the current Director, Neil Davies, has announced his intention to retire at the end of this financial year. Interviews took place recently and from a strong field, the current Deputy Director, Stuart Douglas, has been appointed.   The Committee **NOTED** the Update Report. |  |
| 1. **EXTERNAL AUDIT** | | |
| **3.1** | **Audit Wales Update**  SW presented the latest position statement detailing current and planned work. He confirmed that the audit work for NWSSP would commence in January, and when questioned as to whether this was rather late, answered that unfortunately completing the 2021/22 Local Authority audits are currently the priority, resulting in the 2022/23 NHS audits being unable to start earlier.  MV queried if responses to the recent fee consultation would be shared. SW agreed to provide members with the responses once available.  The Committee **NOTED** the Update. | **SW** |
| 1. **INTERNAL AUDIT** | | |
| **4.1** | **Internal Audit Position Statement**  JJ presented the latest Internal Audit Position Statement together with an overview of other activity undertaken since the previous meeting. Four audits from the 2022-23 audit plan are complete and are on the agenda, together with the one remaining report from 2021-22. Fieldwork on the Recruitment services audit is complete, and the report would be brought to the next Audit Committee.  The Committee **NOTED** the Position Statement. |  |
| **4.2** | **Internal Audit Reports**  The following Internal Audit Reports were presented to the Committee:  **Capital Governance Arrangements**  Murray Gard presented this advisory report and stated that the scope of the review was to assess the governance arrangements over two major investment programmes, Transforming Access to Medicine (TrAMS) and the All-Wales Laundry service. The review of the programmes generally was positive, but it was noted in both cases that the initial estimated costs had been revised significantly upwards. The report contains a number of recommendations which management had agreed to act on. However as this is an advisory report there is no detailed action plan with names and dates for completion so the question was asked as to how the Audit Committee should monitor this report. TM stated that the actions will be monitored at the relevant Programme Governance Boards and suggested that a progress report from the Governance Boards be brought back to the Committee to demonstrate progress, rather than the detail of each recommendation being added to the Audit Tracker. This approach was agreed, and CW will add to the agenda for the January Committee meeting.  **Health Courier Service**  SCo presented the report to the Audit Committee, which had been awarded reasonable assurance. There was one high priority recommendation relating to the reporting, recording and investigation of road traffic incidents, where inconsistencies were noted in current practice at the time of the audit, but which have now been addressed.  **Laundry Services**  The objective of the review was to establish a baseline position for Green Vale Laundry following the transfer of services to NWSSP. The audit report achieved a rating of reasonable assurance with five medium recommendations for action. The audit was in line with last year’s review of the Llansamlet Laundry and management are aware of the issues identified in the report, which will be addressed as part of the Laundry Modernisation Programme.  **Surgical Materials Testing Laboratory**  SCo presented the Surgical Materials Testing Laboratory report to the Committee, which assessed the governance, financial and risk management arrangements. The audit achieved substantial assurance and no recommendations were raised. The Committee were pleased to note such a positive audit report.  **Decarbonisation Advisory report**  MG presented the report, which is intended to be undertaken at all NHS Wales organisations. To date five reviews, including NWSSP, have been concluded. The audit was an early-stage review intended to provide advice and share best practice. The report included both overall national recommendations and a set of NWSSP-specific recommendations. SC confirmed that the summary report would be shared with all NHS Wales organisations and that the team would be linking in with Chief Executives and Audit Committee chairs to ensure messages are fully communicated. Of the specific recommendations raised in the report, it was noted that NWSSP need to ensure that sufficient resource is in place to undertake the work detailed in the NWSSP Decarbonisation Action Plan.    The Committee **NOTED** the Internal Audit Reports. | **CW** |
| 1. **COUNTER FRAUD** | | |
| **5.1** | **Counter Fraud Position Statement**  MW presented the Counter Fraud Position Statement with an overview of activity since the last meeting. A fraud awareness survey was sent to all staff together with an informative video, and over 300 responses have been received to date. This will provide a useful benchmark to monitor how effective MW’s appointment will be in terms of helping to raise fraud awareness amongst NWSSP staff.  MW gave an update regarding the Counter Fraud national e-learning training module which is almost complete, and discussions are continuing to assess whether this training can be made mandatory, at least for certain groups of staff, by the end of the financial year. Bank Mandate fraud is still prevalent across the NHS, but NWSSP have robust controls in place and there have been no recent successful fraud attempts for over 18 months. Salary overpayments are a concern, and this is a particular are of focus at present.  The Committee **NOTED** the Position Statement. |  |
| 1. **GOVERNANCE, ASSURANCE AND RISK** | | |
| **6.1** | **NWSSP Audit Committee Annual Report 2021-22**  MV presented the 2021-22 Audit Committee Annual Report, which outlines the areas reviewed by the committee during the year including the results of all internal audit activity. The majority of audits were positive achieving a rating of reasonable or substantial assurance, with exception of one audit, which was rated as limited. No audits were given no assurance and the vast majority of audit actions were implemented within agreed timescales. The Head of Internal Audit Opinion provided a rating of reasonable assurance.  The Committee **NOTED** the 2021/22 Audit Committee Annual Report. |  |
| **6.2** | **Audit Committee Effectiveness Survey Results 2022**  CW presented the results of the recent 2022 Audit Committee Effectiveness Survey. The anonymised survey was undertaken to obtain feedback from Committee members on performance and potential areas of development and was issued to all members in August 2022. The number of responses received was up from the previous year and were very positive with no significant areas to address. Some members are keen for a face-to-face meeting and therefore CW would arrange a physical meeting for one of the four meetings planned for 2023.  The Committee **NOTED** the Report. | **CW** |
| **6.3** | **Governance Matters**  AB presented the paper, which provides the Committee with the contracting activity from 21 June to 20 September 2022. The report summarises that:   * There were no departures from the Standing Orders; * NWSSP have let 21 contracts during the reporting period; * In addition 22 All-Wales contracts were let for the period; * There were three declarations of gifts, hospitality, and sponsorship during the reporting period; * 77% of NWSSP have now completed a Declaration of Interest – the first time that all NWSSP staff have been asked to participate in this exercise; and * NWSSP have submitted a nil return to Welsh Government in respect of the quarterly update on limited and no assurance Internal Audit reports.   The Committee **NOTED** the Report. |  |
| **6.4** | **Utilisation of Surplus Beds**  LP presented the report to the Audit Committee providing members with an update on the utilisation of surplus bed stock that resulted from the NHS Wales Covid response. In 2021 the Audit Committee was asked to approve on behalf of Welsh Government the write-off of £5.7 million for surplus beds. 2,328 beds were held in storage, and Welsh Government was recently approached by a Charity who wanted to repurpose 198 critical care beds and transport them to Moldova for Ukrainian refugees. Welsh Government agreed to the donation and all governance documentation was completed in conjunction with the Shared Services Partnership Legal and Risk team. To date, there has been two collections and one further collection date has been scheduled to take place week commencing 24 October 2022. NWSSP staff are working with local authorises to see whether the remaining beds could be utilised elsewhere.  The Committee **NOTED** the Report. |  |
| **6.5** | **Corporate Risk Register**  PS presented the Corporate Risk Register which contains one red risk concerning the inflationary impact on goods and services, particularly relating to energy. This continues to be mitigated as far as possible through the actions of the Energy Price Risk Management Group.  There have been three new risks added to the register since the last Audit Committee meeting. These are as follows:   * The threat of industrial action and the resulting impact on delivery of services; * A current dispute with the supplier of the new Legal & Risk Case Management system which may have both a financial and service delivery impact; and * Difficulties in obtaining sufficient financial and staff resource to take forward the agreed plans for the Clinical Pharmacy service.   In addition to the above, one risk relating to Covid-19 Pandemic has been re-escalated from monitoring to a risk for action and relates to the temporary fixed term posts of staff recruited through the Pandemic. At present there is lack of uncertainly as to whether the Welsh Government would continue to fund the additional posts appointed pre-covid, despite the roles still being needed.  The Committee **NOTED** the Report. |  |
| **6.6** | **Tracking of Audit Recommendations**  PS presented the paper and noted that there were currently no outstanding recommendations although there are four recommendations where the agreed date has passed but completion of the actions is dependent upon third parties. It was agreed that these would be shared with the Shared Services Partnership Committee to obtain appropriate updates.  The Committee **NOTED** the Report. | **PS** |
| 1. **ITEMS FOR INFORMATION** | | |
|  | The following items were provided for information:   * NWSSP Annual Review 2021-22; * Information Governance Annual Report 2021-22; * IMTP Outcome letter; and * Audit Committee Forward Plan. |  |
| 1. **ANY OTHER BUSINESS** | | |
| **8.1** | **Any Other Business**  No issues were raised. |  |
| **DATE OF NEXT MEETING:**  Tuesday, 24 January from 14:00-16:00 via Teams | | |