



DIGITAL HEALTH AND CARE WALES ANNUAL REPORT OF THE AUDIT AND ASSURANCE COMMITTEE

Agenda Item	2.6
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Name of Meeting	Audit and Assurance Committee
Date of Meeting	21 January 2025

Public or Private	Public
IF PRIVATE: please indicate reason	N/A

Executive Sponsor	Chris Darling, Director of Corporate Affairs Board Secretary
Prepared By	Julie Robinson, Corporate Governance Coordinator
Presented By	Laura Tolley, Head of Corporate Governance Deputy Board Secretary

Purpose of the Report	For Endorsement
Recommendation	The Committee is being asked to
ENDORSE the Annual Report of the Audit and Assurance Committee 2024/25 for APPROVAL to the SHA Board.	

WC:
APP:
TOTAL:

1 IMPACT ASSESSMENT

STRATEGIC MISSION	All missions apply
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CORPORATE RISK (ref if appropriate)	N/A
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QUALITY IMPACT ASSESSMENT (ref if appropriate)	
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<u>WELL-BEING OF FUTURE GENERATIONS ACT</u>	A Globally Responsible Wales
If more than one standard applies, please list below:	

<u>DHCW QUALITY STANDARDS</u>	N/A
If more than one standard applies, please list below:	

<u>DUTY OF QUALITY ENABLER</u>	Information
<u>DOMAIN OF QUALITY</u>	Effective
If more than one enabler / domain applies, please list below:	

<u>EQUALITY IMPACT ASSESSMENT STATEMENT</u>	Date of submission: N/A
Choose an item.	Outcome: N/A
Statement: N/A	

IMPACT ASSESSMENT	
QUALITY AND SAFETY IMPLICATIONS/IMPACT	No, there are no specific quality and safety implications related to the activity outlined in this report.
LEGAL IMPLICATIONS/IMPACT	No, there are no specific legal implications related to the activity outlined in this report.
FINANCIAL IMPLICATION/IMPACT	No, there are no specific financial implications related to the activity outlined in this report
WORKFORCE IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.

SOCIO ECONOMIC IMPLICATION/IMPACT	No, there are no specific socio-economic implications related to the activity outlined in this report.
RESEARCH AND INNOVATION IMPLICATION/IMPACT	No, there are no specific research and innovation implications relating to the activity outlined within this report.

2 APPROVAL / SCRUTINY ROUTE

Person / Committee / Group who have received or considered this paper prior to this meeting		
PERSON, COMMITTEE OR GROUP	DATE	OUTCOME
Laura Tolley, Head of Corporate Governance Deputy Board Secretary	January 2025	Reviewed
Marian Wyn Jones, Committee Chair	January 2025	

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority

3 SITUATION / BACKGROUND

3.1 In accordance with best practice and good governance, the Audit and Assurance Committee produces an Annual Report to the SHA Board which sets out how the Committee has met its Terms of Reference during the financial year.

3.2 This report outlines Audit and Assurance Committee attendance, and key items discussed in public and private during the 2024-25 financial year.

3.3 Audit and Assurance Committee Membership

3.3.1 The Committee was appointed by the Board from amongst the Non-Officer Members of the Health Authority and consists of not less than 3 members, comprising:

Chair: Independent Member

Members: Independent Members x 4 (one of whom is the Chair)

The Executive Director of Finance and appropriate Internal and External Audit representatives shall normally attend meetings.

However, at least once a year, the Committee will meet privately with External and Internal Auditors without any Executive Director or Officer present. The opportunity to meet with Auditors private will be available at each meeting.

Other usual expected attendees:

Executive Director of Finance

Director of Corporate Affairs / Board Secretary

Head of Corporate Governance / Deputy Board Secretary

Deputy Director of Finance & Business Assurance

Head of Internal Audit

External Audit Representative

Counter Fraud Representative

At least two members must be present to ensure the quorum of the Committee, one of whom should be the Committee Chair or Committee Vice Chair.

4 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

4.1 The Committee met five times during the period 1 April 2024 and 31 March 2025, one of these was an extraordinary meeting to consider the Annual Report and Accounts. This is in line with its Terms of Reference.

4.2 The Audit and Assurance Committee achieved an attendance rate of 100% from Committee members (80% is considered to be an acceptable attendance rate) during the period 1st April 2024 to 31st March 2025 (excluding extraordinary meetings) as set out below:-

	16.04.24	09.07.24	15.10.24	21.01.25	Attendance
Marian Wyn Jones (Chair)	✓	✓	✓	✓	100%
Alistair Klaas Neill (Vice Chair)	✓	✓	✓	✓	100%
Ruth Glazzard	✓	✓	✓	✓	100%
Marilyn Bryan-Jones	✓	✓	✓	✓	100%
Total	100%	100%	100%	100%	100%

4.3 During the financial year 2024/25 the Audit and Assurance reviewed the following key items at its meetings:

Losses and Special Payments

As defined in the Standing Financial Instructions, the Audit and Assurance Committee is required to approve the write off of all losses and special payments within the delegated limits determined by Welsh Government. There were £44,105.36 in payments in the 2024-2025 financial year.

Procurement and Scheme of Delegation Compliance

The Committee received regular updates on procurement activity undertaken including compliance with the Standing Financial Instructions. Learning was noted from incidents of Inappropriate Adherence with Standing Financial Instructions for a number of work packages during the period 2024-2025.

Corporate Risk Register

The Register was received and scrutinised at each meeting. The Committee were assured that risks were assessed by the Risk Management Group; in addition, it was reviewed on a monthly basis by the DHCW Management Board.

Local Counter Fraud Update

The Committee received updates from the Counter Fraud officer at each meeting. In addition, the introduction of a new Salary Overpayments dashboard was implemented during the period 2024-25.

Policies

The Committee received and approved four policies.

- Standards of Behaviour
- Shared Parental Leave
- Quality Policy
- Integrated Management System Policy

Standards of Behaviour

The Committee received a report on a quarterly basis and noted that work was progressing on capturing Declarations of Interest, Gifts and Hospitality for all DHCW staff. The Committee are assured by the processes in place to ensure adherence to the Standards of Behaviour Policy.

Decarbonisation and Estates Compliance

The Committee received an update at all regular meetings on Estate Compliance and noted that this area of work continued to make good progress on all targets.

Quality and Regulatory Compliance

The Committee received an update at all regular meetings on Quality and Regulatory Compliance, in addition the first Duty of Quality Annual Report was received during 2023-24.

High Value Purchase Order Report

Committee members received regular reports on orders which exceeded £750k which included the addition of a log of the cumulative high value transactions.

Raising Concerns

The Committee received an update on Raising Concerns and were assured by robust processes in place and promotion of the policy that all staff were provided with the ability to raise concerns confidently and anonymously. The Committee will receive an annual report on themes and learning from Raising Concerns in April 2025.

Welsh Health Circulars and Ministerial Directives

The Committee received a bi-annual update on the current status of the Welsh Health Circulars and one Ministerial Directive at the July and January Committee meetings.

Legislative Assurance Framework

The Audit and Assurance Committee received a bi-annual update on the legislative assurance framework at the July and April Committee meetings.

Welsh Language Report

The Committee received regular updates on progress of compliance to the Welsh Language Standards and received assurance on the work being undertaken regarding Welsh Language recruitment. Additionally, further progress was being made on the development of Welsh Learners in DHCW including the addition of a Welsh Language Learner of the Year award to the Staff Recognition Awards.

Internal Audit

A draft Internal Audit Plan for 2024/25 was developed following meetings and correspondence with the Special Health Authority's Executive Directors, Chief Executive and Committee Chair. The Committee approved the plan at the meeting in April 2024.

Ten reports were presented during the year:

- Programme Management – **Reasonable** Assurance rating,
- Digital Eyecare Programme – *Assurance Rating not applicable for this audit*
- Decarbonisation (All Wales Review) – **Reasonable** Assurance rating,
- Follow up of High Priority Internal Audit Recommendations – **Reasonable** Assurance rating,
- Financial & Service Delivery Sustainability – **Reasonable** Assurance rating,
- Data Quality – *Assurance Rating not applicable for this audit*
- Declarations of Interest – **Substantial** Assurance rating,
- Cloud Services – **Substantial** Assurance rating,
- Estates Assurance – Energy Management– **Reasonable** Assurance rating,
- Mission Five – Staff Development – **Reasonable** Assurance rating.

Audit Wales

Structured Assessment

DHCW's third Structured Assessment was presented to Audit and Assurance Committee, additionally, the results of a Deep Dive of Cost Savings were received at the October 2024 meeting. The Committee were pleased to note that Audit Wales found overall DHCW's corporate arrangements support good governance and the efficient, effective, and economical use of resources, and DHCW now needs to use its new long-term strategy to demonstrate its value and consolidate its position as a digital system leader and enabler in the NHS.

Audit Wales Progress Reports

The Committee received progress reports from Audit Wales on the following:-

- From Firefighting to Future Proofing – the Challenge for Welsh Public Services
- Digital By Design
- DHCW Nationally Hosted NHS IT System Review

Audit Action Tracker

The reports and tracker provided Members of the Audit and Assurance Committee with assurance on the implementation of recommendations which had been made by Internal Audit or Audit Wales by means of an internal / external recommendation tracking report and were able to view progress and improvements made from audit recommendations being addressed.

Committee Effectiveness Self-Assessment

The annual self-assessment questionnaire was reviewed at the January 2025 meeting. The feedback indicated a generally positive response with the culture of the meetings considered conducive to open and productive debate.

4.3. Audit and Assurance Committee Private Agenda items

4.3.1 During the financial year 2024/25 the Audit and Assurance Committee reviewed the following key items at its **private** meetings.

- Business Continuity (Ransomware) Internal Audit Report.
- Eyecare Review Internal Audit Report.
- Legacy Software Modernisation.
- IT Change Management Internal Audit Report.
- Raising Concerns updates – the Committee received regular updates on the progress of concerns raised. In addition, members discussed learnings from these and also sought assurance from lead officers that actions were taken forward appropriately.
- Counter Fraud.
- Management of Physical Assets.
- Programme Governance.
- Losses and Special Payments.

5 KEY RISKS / MATTERS FOR ESCALATION TO BOARD / COMMITTEE

- 5.1 The Audit and Assurance Committee is of the opinion that the draft Audit and Assurance Annual Report 2024/25 is consistent with its role as set out within the Terms of Reference and that there are no key risks / matters for escalation to the Board / Committee.

6 RECOMMENDATION

Recommendation	The Committee is being asked to
<p>ENDORSE the Annual Report of the Audit and Assurance Committee 2024/25 for APPROVAL to the SHA Board.</p>	