




## Audit and Assurance Committee - PUBLIC

### MINUTES, DECISIONS & ACTIONS TO BE TAKEN

 09:00 – 13:00

 03/05/2022

 Teams Call

Chair	Marian Wyn Jones
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Present (Members)		Title	Organisation
Marian Wyn Jones	MW-J	Independent Member, Chair of the Audit and Assurance Committee	DHCW
Ruth Glazzard	RG	Independent Member, Vice Chair of the Board	DHCW
David Selway	DS	Independent Member	DHCW
Attendees			
Julie Ash	JA	Head of Corporate Services	DHCW
Stephen Chaney	StC	Deputy Head of Internal Audit	NWSSP Internal Audit
Simon Cookson	SC	Director of Audit & Assurance	NWSSP Internal Audit
Nathan Couch	NC	Performance Audit Lead (Health)	Audit Wales
Mark Cox	MC	Associate Director of Finance	DHCW
Chris Darling	CD	Board Secretary	DHCW
Gareth Davis	GD	Interim Executive Director of Digital Operations	DHCW
Paul Evans	PE	Quality Manager (Regulatory Compliance)	DHCW
Julie Francis	JF	Head of Commercial Services	DHCW

Meirion George (for item 3.2)	MG	Assistant Director for ADS	DHCW
Darren Griffiths	DG	Audit Manager (Performance)	Audit Wales
Carwyn Lloyd-Jones	CL-J	Director of ICT	DHCW
Gareth Lavington	GL	Lead Local Counter Fraud Specialist	Cardiff and Vale Local Counter Fraud
Martyn Lewis	ML	Auditor	NWSSP Internal Audit
Claire Osmundsen-Little	CO-L	Executive Director of Finance	DHCW
Julie Robinson	JR	Corporate Governance Co-Ordinator	DHCW
Michelle Sell	MS	Director of Planning & Performance and Chief Commercial Officer	DHCW
Mike Whiteley	MW	Audit Manager	Audit Wales
Apologies			
Grace Quantock	GQ	Independent Member, Vice Chair of the Audit and Assurance Committee	DHCW
Ifan Evans	IE	Executive Director of Strategy	DHCW
Dave Thomas	DT	Audit Director	DHCW
Derwyn Owen	DO	Audit Director	DHCW
Sophie Fuller	SF	Corporate Governance and Assurance Manager	DHCW

Acronyms			
DHCW	Digital Health and Care Wales	NWIS	NHS Wales Informatics Service
SHA	Special Health Authority	A&A	Audit and Assurance
KPI	Key Performance Indicator	PAC	Public Accounts Committee
SO's	Standing Orders	SFI's	Standing Financial Instructions

HEIW	Health Education and Improvement Wales	FCP	Financial Control Procedures
ADS	Application, Development and Support		

Item No	Item	Outcome	Action
<b>1</b>	<b>PRELIMINARY MATTERS</b>		
1.1	<p><b>Welcome and introductions</b></p> <p>The Chair welcomed everyone to the Audit and Assurance Committee. A special welcome was given to Gareth Lavington the new Lead in Counter Fraud, Mike Whiteley and Nathan Couch from Audit Wales, Meirion George, Assistant Director ADS (DHCW) and Gareth Davis, Interim Executive Director of Operations (DHCW).</p> <p>The Chair expressed the Committee’s heartfelt condolences to the family and friends of Konrad Kujawinski, Head of Quality and Regulatory who was a regular attendee at this meeting, on his recent passing.</p> <p>The Chair confirmed she had met in advance with both Internal and External Audit to consider the papers and thanked them for their time.</p> <p>The meeting was held via Microsoft Teams and attendees were reminded that the meeting was being recorded and would be posted on DHCW’s website following the meeting.</p>	Noted	None to note
1.2	<p><b>Apologies for Absence</b></p> <p>Apologies for absence were noted from:</p> <ul style="list-style-type: none"> <li>• Grace Quantock, Vice Chair of Audit and Assurance, Independent Member</li> <li>• Ifan Evans, Executive Director of Strategy</li> <li>• Dave Thomas, Audit Wales</li> <li>• Derwyn Owens, Audit Wales</li> <li>• Sophie Fuller, Corporate Governance and Assurance Manager</li> </ul>	Noted	None to note
1.3	<p><b>Declarations of Interest</b></p> <p>The Chair declared an interest in agenda item 4.3 the Welsh Language Compliance report due to chairing the ‘More than</p>	Noted	None to note

	<p>Just Words' Task and Finish Group on the Strategic Welsh Language Framework.</p> <p>The group were developing an action plan which was mentioned within the report.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>Note</b> the Declaration of Interest</p>		
<b>2</b>	<b>MEETING BUSINESS</b>		
2.1	<p><b>Unconfirmed minutes of the 18 January 2022 meeting - Public</b></p> <p>The Chair noted that no comments had been received on the accuracy of the minutes.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>Approve</b> the minutes as a true record of discussion and these would be made publicly available.</p>	Approved	None to note
2.2	<p><b>Unconfirmed minutes of the 18 January 2022 meeting – Private</b></p> <p>Ruth Glazzard, Independent Member (RG) confirmed that whenever a private session was held it was challenged if the item should be held in private or not, to ensure as much of the business was conducted in public as possible.</p> <p>The Chair noted that no comments had been received on the accuracy of the minutes.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>Approve</b> the minutes as a true record of discussion and publish on the Special Health Board website.</p>	Approved	None to note
2.3	<p><b>Action log</b></p> <p>Chris Darling, Board Secretary (CD) was invited to present the Action Log. The Committee noted there were four actions captured from the last committee meeting, of which all four were completed with the actions taken documented in the Action Log. A further action <b>20211005-A03</b> was noted as completed since the publication of the papers and would be reviewed at the July Committee.</p> <p>Two further actions were underway and would be reported to the July meeting.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>NOTE</b> the action log.</p>	Noted	None to note
2.4	<p><b>Forward Work Plan</b></p> <p>CD highlighted the items moved to the plan for the July</p>	Noted	None to note

	<p>Committee as:-</p> <ul style="list-style-type: none"> <li>• Cyber Resilience Unit Update</li> <li>• Welsh Community Care Information System (WCCIS) follow up report</li> <li>• Quality and Regulatory Annual Review</li> </ul> <p>The Committee <b>resolved</b> to:</p> <p><b>NOTE</b> the Committee Forward Work Plan.</p>		
<b>3</b>	<b>AUDIT AND COUNTER FRAUD</b>		
3.1	<p><b>Internal Audit Progress Report</b></p> <p>Simon Cookson, Director of Internal Audit NHS Wales Shared Services Partnership (SC) presented the Internal Audit Progress Plan. SC was joined by colleagues Stephen Chaney and Martyn Lewis attending to present the four completed audit reports. SC confirmed there were two audits on the 2021/22 plan yet to be signed off and they would be presented to the July Committee meeting. Additionally, the Head of Internal Audit opinion had now been drafted and would be presented at the July Committee, which indicated a positive outcome overall in terms of a strong reasonable assurance.</p> <p>Claire Osmundsen-Little, Executive Director of Finance (CO-L) commented the audits had been delivered despite most of them being undertaken towards the end of the year and this demonstrated the strength of the working relationship between Internal Audit and DHCW.</p> <p>Discussions had taken place to formulate the 2022/23 plan and ensure a smoother programme of work to i.e. reports will be presented to the meetings spread evenly across the year.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>NOTE</b> the Internal Audit update for assurance.</p>	For Assurance	None to note
3.2	<p><b>Internal Audit Review Reports</b></p> <p><b>Data Centre Project Move</b></p> <p>The review received a strong <b>Substantial</b> Assurance rating.</p> <p>Martin Lewis, Auditor (ML) outlined the work undertaken in the review which looked at the governance arrangements in place for the Data Centre move. The audit found a project structure that was subject to good governance with a monitoring and reporting framework in place. The project completed all objectives.</p> <p>There were no findings from the report as it was a substantial assurance.</p>	For Assurance	<b>Action:</b> A link to Centre for Digital Public Services (CDPS) who have a new Head of Standards in place, to be provided via RG and a discussion outside of

The Audit Committee extended their congratulations to CL-J and his team on the successful move of the Data Centre.

### Governance Arrangements (Part 2)

The audit review received a **Reasonable** Assurance rating.

Stephen Chaney, Audit Manager, NHS Wales Shared Partnership (StC) presented the Governance Arrangements audit report which was the second part of an overall suite of governance reviews. The review was a consolidated review of planning, performance management and risk management.

The review had received a strong reasonable assurance with some areas for improvement and these were reflected in the recommendations. StC highlighted the key messages from the review.

CD confirmed with regards to Risk and the Board Assurance Framework this was an ongoing process for the organisation and there were actions planned which would assist in tracking progress on these aspects of work.

Michelle Sell, Director of Planning & Performance and Chief Commercial Officer (MS) confirmed that some of the actions relating to the IMTP had been addressed, the performance report continued to be refined and will be reset for the new IMTP and objectives set out.

The Committee were assured a number of Health Care Standards were less relevant to the organisation as DHCW did not direct provide care, however, the standards that were applicable to DHCW would be reviewed and incorporated into the performance report.

CD confirmed the number of applicable standards would increase as DHCW moved more into the area of medical devices and this would be monitored.

**ACTION:20220503-A01** A link to Centre for Digital Public Services (CDPS) who have a new Head of Standards in place, to be provided via RG and a discussion outside of the meeting to take place. RG will be linking with their Health Care Standards team and DHCWs.

### System Development

The audit review received a **Reasonable** Assurance rating.

ML presented the System Development review which had looked at the procedures and guidelines, training and skills in place.

Potential risks covered as part of the review were:-

- the system did not meet the needs of the users;
- inadequate documentation leads to a loss of

the meeting to take place. RG will be linking with their Health Care Standards team and DHCWs.

organisational knowledge and impacts on support and maintenance; and

- security weaknesses lead to inappropriate access to data or loss of functionality.

Meirion George, Assistant Director of ADS (MG) provided assurance there were 23% more staff in post in ADS than last year, however the difficulty was keeping pace with the expanded remit of DHCW. MG outlined some of the measures taking place to address the shortfall in staff as below:

- work was being undertaken by Workforce to address capacity planning going forward.
- DHCW were using more third parties and strategic suppliers to assist with the shortfall of resources.
- Reviewing the non-pay benefits as part of the offer and this appears to be having some success.
- Funding for training had been increased.

MG confirmed he would be working with the new Interim Executive Director of Operations to address the recommendations within the report.

DS was pleased to note a greater use of strategic suppliers and the increased head count, but it was acknowledged Agenda for Change was not competitive with the open market.

### Core Financials

The audit review received a **Reasonable** Assurance rating.

StC presented the Core Financials review which received a strong reasonable rating. StC confirmed some of the recommendations had already been addressed and highlighted some of the pertinent points from within the report.

CO-L confirmed the review had been useful for DHCW as a new organisation and it was recognised that it needed to be more consistent in some of the Directorate reporting and sharing trend analysis. A SharePoint site was being developed to demonstrate consistency across Directorates and work with the Directorates to ensure the budget holders are familiar with the tools and are able to see the trends and analysis. Power BI was a relative new tool which DHCW were championing within the digital finance teams.

Mark Cox, Associate Director of Finance (MC) agreed the audit had been very useful in terms of implementing Power BI as the dashboard and reporting mechanism of choice.

RG was pleased with the management response and to observe the single tender procurement process element had received a substantial assurance but queried if budget holders

	<p>traditionally managed their own budgets or if it was left to finance.</p> <p>It was confirmed that regular budget reviews were held and the budget holders sign off their agreed budgets at the beginning of the financial year.</p> <p>The Committee were assured that a number of actions are underway in relation to the findings which underpinned the importance of audits.</p> <p>The Committee extended their thanks to Internal Audit for the manner in which they conducted the audits.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>RECEIVE</b> the four reports for <b>ASSURANCE</b>.</p>		
<p>3.3</p>	<p><b>Internal Audit 2022/23 Plan</b></p> <p>SC confirmed there were two more audits from the 2021/22 plan which would be brought to the July Committee, along with the Head of Internal Audit Opinion. The assurance process was a continual process and the plan for the forthcoming year was presented for approval.</p> <p>SC highlighted the plan was in three parts and in line with the Public Sector Internal Audit Standards. The plan set out the areas identified for 2022/23 which linked to corporate and key risks for the organisation.</p> <p>MW-J confirmed there had been extensive discussions on the plan.</p> <p>MS requested a minor alteration in Appendix A in relation to the Estates Strategy; it was assigned to the Chief Operating Officer, however, the responsible officer should be the Executive Director of Finance who was responsible for Estates.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>APPROVE</b> the Plan and Internal Audit Charter and <b>NOTE</b> Internal Audit have the resources to complete the work.</p>	<p>For Approval</p>	<p>None to note</p>
<p>3.4</p>	<p><b>Internal Audit KPI Overview</b></p> <p>SC presented the KPI Overview which set out the KPIs currently used and a number of changes that would be considered to better measure the impact of the work undertaken by Internal Audit. To support this work Internal Audit were looking at three areas:-</p> <ul style="list-style-type: none"> <li>• The Audit Tracker – the percentage of recommendations that have been implemented and the impact of the recommendations i.e. has it strengthened governance, reduced risk, improved controls etc.</li> </ul>	<p>For Discussion</p>	<p>None to note</p>

	<ul style="list-style-type: none"> <li>NWSSP were undertaking work on the customer engagement and measurement of quality.</li> <li>A number of reports had been received where common themes and issues had been identified, more work would be done on this to share good practice and common findings.</li> </ul> <p>A further report would be brought back during the course of the year to update on progress.</p> <p>SC added that Internal Audit had recently appointed a Business Support Manager who would be able to link in with the Board Secretary and pull out the common themes and threads across the board as there will be digital and IT themes from other organisations.</p> <p>The Committee welcomed this piece of work and thanked Internal Audit for being a good critical friend during DHCW's first year and providing some external perspective.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>NOTE</b> the contents of the KPI report.</p>		
3.5	<p><b>Audit Wales Committee Update Report</b></p> <p>Darren Griffiths, Audit Manager Audit Wales (DG) took the Committee through the sections of the report and confirmed there was no performance update as this was reported and completed within the Baseline Governance Review.</p> <p>DG continued that in terms of the Good Practice Exchange programme there had been no events since January but a new programme entitled Covid 19 Perspectives had been launched. Interviews had taken place with colleagues across the public sector to invite them to share their experiences of the impact Covid 19 had on the way public services are governed and delivered. The Board Secretary from DHCW had agreed to be interviewed and the link to this interview would be shared with the Committee as soon as it was available.</p> <p>A summary of a National report on Joint Working with Emergency Services was included in the report for information.</p> <p>A draft update letter regarding WCCIS had been prepared and shared with DHCW colleagues. This would be forwarded to the Public Accounts and Public Administration Committee, once this had been considered by that Committee it would be brought back to the Audit and Assurance Committee.</p> <p>Mike Whiteley, Audit Manager, Audit Wales (MW) provided key highlights from the financial audit section.</p> <ul style="list-style-type: none"> <li>The accounts direction had been received from Welsh</li> </ul>	For Assurance	None to note

	<p>Government which confirmed the 15-month accounts from 31<sup>st</sup> December 2020 to 31<sup>st</sup> March.</p> <ul style="list-style-type: none"> <li>• The audit of the finance and balance of transfers from Velindre had found no issues.</li> <li>• Work was undertaken to ensure opening balances were correctly reflected in the ledger.</li> <li>• The draft accounts had been received in advance of the deadline. RG queried if the post-Covid interviews captured the cost-of-living crisis which will start having an impact on staff, particularly the lower paid, as well as the public who use the wider NHS.</li> </ul> <p>DG confirmed the Covid 10 interviews were designed to cover a broad range of subjects and a high-level analysis would be undertaken on the key themes. Audit Wales had also been consulting on the Auditor General’s programme of work for the next couple of years. The programme of work had expressed a desire to look at inequalities and poverty so there was a possibility these could be explored in more depth.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>RECEIVE</b> the Audit Wales report for <b>ASSURANCE</b></p>		
3.6	<p><b>Audit Wales 2022 Audit Plan</b></p> <p>DG presented the Audit plan which set out the programme of work during 2022 in relation to auditing the DHCW financial statements as well as reviewing the organisation’s arrangements for securing economy efficiency and effectiveness.</p> <p>DG confirmed the plan would undertake three pieces of performance audit work and provided further detail.</p> <p>MW presented the section on the financial audit work highlighting some of the risks in the Financial Risks table in exhibit 1.</p> <p>The Committee thanked Audit Wales for the update and looked forward to the final update at the next meeting.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>APPROVE</b> the Audit Wales Plan for 2022.</p>	For Approval	None to note
3.7	<p><b>DHCW Audit Report Themes Review</b></p> <p>CD confirmed the review was undertaken as a response to a request from the Committee in October to identify themes of audits over the course of the year. At the time of writing not all Internal Audits had been completed, however, moving forward it was proposed that work be undertaken along with the Head of Corporate Services to ensure the audit tracker</p>	For Noting	<b>Action:</b> The Audit Themes to be shared with the Learning and Development

	<p>identified themes and include them on the tracker.</p> <p>The Committee agreed it was a useful piece of work which would become even more so as more audits were undertaken. It was noted the importance that the Committee use any themes that emerge not just from audit reports, and thought needed to be given as to how this information was used in terms of assurance and scrutiny i.e. deep dives.</p> <p><b>ACTION: 20220503-A02</b> The Board Secretary agreed the Audit Themes to be shared with the Learning and Development Group.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>NOTE</b> the Audit Report Themes Review.</p>		Group
3.8	<p><b>Audit Action Tracker</b></p> <p>Julie Ash, Head of Corporate Services (JA) confirmed that there were 23 actions reviewed at the last meeting where 17 were closed leaving a total of 6 open actions. The Committee received three new reports at the last meeting which contained 10 new actions. These had been added to the log which now contains a total of 16 open actions.</p> <p>JA was pleased to report that 13 of those 16 were complete and three were on track to be completed by their target date.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>NOTE</b> the outstanding actions and the proposed work in place to close the actions.</p>	Noted	None to note
3.9	<p><b>Local Counter Fraud Update Report</b></p> <p>Gareth Lavington, Lead Specialist Counter Fraud Officer, Cardiff and Vale University Health Board (GL) presented the Local Counter Fraud Update report for the quarter ended 31<sup>st</sup> March and highlighted the main points.</p> <p>RG queried if there was anything more that was needed from the Committee to get the education and presentation piece moving forward i.e. should the Committee increase its engagement now the Counter Fraud team are fully recruited to. GL confirmed he was putting forward what he felt was required to be provided to DHCW with regards to education/presentations and was keen to gain a level of understanding with colleagues both in DHCW and Internal Audit of where the inherent risks lay.</p> <p>CO-L confirmed that she had met with GL and they had discussed the plan, how resources could be aligned to support the delivery of the plan and how to raise the profile of Counter Fraud.</p>	Noted	None to note

	<p>GL confirmed he would liaise with MC on fraud sessions and how these would effectively be delivered.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>NOTE</b> the Counter Fraud Update report.</p>		
<b>4</b>	<b>CORPORATE REPORTS</b>		
4.1	<p><b>Annual Accounts Update</b></p> <p>MC provided the Committee with the current position and the timescale going forward:-</p> <ul style="list-style-type: none"> <li>• Activities taken place since the report was published: page 2 section 1.5 indicated the external reporting deadlines for the organisation. The first deadline reflected the day 5 financial submission. Item 2 identified DHCW had met its statutory reporting requirements in terms of its breakeven position.</li> <li>• The draft accounts had been submitted.</li> <li>• The DHCW Finance team liaise with Audit Wales on a weekly basis to provide transparency.</li> <li>• There were two elements of losses and special payments which required special attention in the notes and narrative that accompanied the accounts.</li> <li>• The IFRS 16 disclosure was part of the general discussions with Audit Wales.</li> </ul> <p>The Committee <b>resolved</b> to:</p> <p><b>NOTE</b> the Annual Accounts update for <b>ASSURANCE</b>.</p>	Noted	None to note
4.2	<p><b>Risk Management including Corporate Risk Register</b></p> <p>CD highlighted to the Committee the current risk profile position:</p> <ul style="list-style-type: none"> <li>• There were 21 risks on the register, 10 which were detailed in the log and 11 which related to Cyber Security and were considered at the Digital Governance and Safety Committee in the private session.</li> <li>• A number of risks had been added and generally related to cyber risks but also a number had been removed and listed within the report with the reasons for removal or closure.</li> </ul> <p>CD provided an update on the three risks assigned to the Committee:-</p> <ul style="list-style-type: none"> <li>• <b>DHCW0259 Staff Vacancies</b></li> </ul> <p>The risk was being kept under regular review. A</p>	Discussed	None to note

significant number of new staff had joined DHCW in the last 12 months. A Commercial resourcing strategy had been developed and the Recruitment Taskforce Group would be stood down and replaced by a financial/commercial/recruitment group.

- **DHCW0208 Welsh Language Compliance**

The risk remained unchanged. The Welsh Language Services Manager came into post earlier in the year and has reviewed the standards and DHCW's compliance against them.

- **DHCW0273 Welsh Language Two Way Text Service**

The two-way text service was due to be completed and it had been agreed with Welsh Government that this would go live in terms of the mitigation to ensure bilingual two-way appointment texts are sent by June. The date had moved from early May as Welsh Government set priorities for the Welsh Immunisation programme.

CD invited CL-J to provide an overview of the work carried out on the cyber risks.

CL-J provided an explanation as to why the number of ransomware risks had increased from one risk. The generic risk had been split into specific risks as per the advice from a consulting firm who had undertaken work on cyber risks. Updates were provided on the remaining risks:

- 0261 was the original non-specific risk, this had now closed.
- 0257 this risk would be closed shortly, changes were being monitored.
- 0283 a commercial issue had been resolved and the risk was now closed.

The Committee received assurance from DS, Vice Chair of Digital Governance and Safety Committee who confirmed good progress was being made on the ransomware risks. The Chairs of the two Committees were keen not to duplicate work, therefore the cyber risk were not being discussed in a Private session of this Committee.

### **Milestone plan**

Training had been delivered to DHCW staff on Risk and Board Assurance over the past two months and a Board Assurance Framework (BAF) session was planned at the Board Development day on 5<sup>th</sup> May 2022. The aim was to take the BAF to Board at the May meeting for approval.

With regard to the Vacancies risk, DS suggested more focus

	<p>was given on an internal staff training programme to upskill internal staff via the appropriate development programmes.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>NOTE</b> the Risk Management Report including the Corporate Risk Register and the Milestone plan</p>		
4.3	<p><b>Welsh Language Compliance</b></p> <p>CD explained DHCW are committed to becoming a bilingual organisation, as a new statutory body an estimation had been provided of what Welsh Language resource would be required. From a translation perspective a Service Level Agreement was put in place with NHS Shared Services Partnership (NWSSP) for the period 2021/22, however, more than double the agreed resource has been used.</p> <p>The newly appointed Welsh Language Manager had reviewed the action plan and made some amendments as set out in agenda item 4.3i.</p> <p>DHCW have drafted a Welsh Language scheme specific to DHCW and had liaised with the Welsh Language Commissioner’s office to develop the scheme. The Welsh Language Scheme had been submitted for approval</p> <p>CD confirmed the Welsh Language Compliance report would be brought back as a standing item for the Committee to review compliance on Welsh language.</p> <p>The Chair confirmed she was the Welsh Language Board champion and was pleased to note the positive change that the Welsh Language Manager had instigated and looked forward to receiving the first formal report at the next meeting.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>NOTE</b> the Welsh Language Compliance Report for <b>ASSURANCE</b>.</p>	For Assurance	None to note
4.4	<p><b>Declarations of Interests, Gifts and Hospitality Report</b></p> <p>CD advised at the last Committee meeting that all declarations of interest had been recorded for Board Members for 2021/22. The final register for 2021/22 saw a compliance rate of 87% of senior managers band 8a and above, responding and being added to the register.</p> <p>Working with the Communications team it was hoped to improve on this figure for 2022/23 and further raise the awareness of individuals to their responsibility to report any declaration and Standards of Behaviour policy.</p> <p>CD drew the Committee’s attention to three declarations of hospitality, all three were accepted and signed off by the Chief</p>	Assurance	None to note

	<p>Executive with nil declined. CD informed that he was aware of one hospitality declaration which had not been included on the register and this will retrospectively be recorded and presented at the next meeting.</p> <p>The Committee noted the gift for value £56.49 which was initially accepted, was subsequently declined due to the value of the gift.</p> <p>RG confirmed the register was as expected and stressed that colleagues use the register if they are offered any gifts or hospitality.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>RECEIVE</b> the Declarations of Interests, Gifts and Hospitalities Report for <b>ASSURANCE</b>.</p>		
4.5	<p><b>High Value Purchase Order Report</b></p> <p>MC provided details on the five orders over the £750k threshold transacted during the reporting period.</p> <p>In terms of the cumulative contracts which have reached over £750k as reflected in Table 2 one of these related to the ongoing lease of vehicles for staff, these items were deducted from staff payroll, therefore do not result in any cost to DHCW. It was noted there has been a major shift to electric cars for the staff lease cars in the final quarter.</p> <p>MC added it would be an interesting exercise to review and evaluate the end of the year to see if any economic savings could be achieved.</p> <p><b>ACTION 20220503-A03</b> Procurement to continue to look at patterns and trends and identify any different contracting opportunities.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>NOTE</b> the High Value Purchase Order Report.</p>	Noted	<p><b>Action:</b> Procurement to continue to look at patterns and trends and identify any different contracting opportunities.</p>
4.6	<p><b>Losses and Special Payments Update</b></p> <p>MC confirmed this was the first instance of bringing a report on Losses and Special Payments to the Committee and the report detailed two items:</p> <ul style="list-style-type: none"> <li>• Ex-gratia payment (7e: Settlement) 15.0 (amount paid in £'000)</li> <li>• Other compensation payments made under legal obligation 1,158.4 (amount paid in £'000). This item was made under the direction of Welsh Government and supported by the appropriate funding.</li> </ul> <p>The Committee were pleased to note the report which</p>	Noted	None to note

	<p>provided them with assurance that the appropriate processes were in place.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>NOTE</b> the Losses and Special Payments for <b>ASSURANCE</b>.</p>		
4.7	<p><b>Procurement and Scheme of Delegation Compliance Report</b></p> <p>Julie Francis, Head of Commercial Services (JF) presented the report and asked the Committee to note the following overview:</p> <ul style="list-style-type: none"> <li>• There were three Single Tender Actions (STA) and six change notes.</li> <li>• There had been a reduction in the number of STAs since last meeting.</li> <li>• The STAs and change notes all cover a range of activities to ensure operational services continue.</li> <li>• All STAs were executed in accordance with standing financial instructions.</li> </ul> <p>The Committee <b>resolved</b> to:</p> <p><b>NOTE</b> the contents of the Procurement and Scheme of Delegation Compliance Report</p>	Noted	None to note
4.8	<p><b>Quality and Regulatory and Cyber Resilience Unit Compliance Update Report</b></p> <p>CO-L presented the report and provided the Committee with the key highlights:-</p> <ul style="list-style-type: none"> <li>• 2021/22 had ended positively with ISO 9001 and ISO 14001 audits. Both audits were successful with no new non-compliances raised and all previous non-conformances closed.</li> <li>• The IMTP was finalised with the inclusion of the adoption of the i-passport and the quality portal.</li> <li>• The development of the quality management monthly report was undertaken for the Quality and Regulatory group and work continued on medical devices compliance.</li> <li>• The Cyber Security Annual plan was presented to the Directors of Digital Peer Group and validated by Welsh Government.</li> <li>• Upcoming audits were planned for Quarter 1 2022/23.</li> <li>• A risk based internal audit programme had been developed.</li> </ul>	Noted	None to note

	<p>In summary, it had been a strong performance from the Quality Team and quality was being embedded across Directorates.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>NOTE</b> the Quality and Regulatory and Cyber Resilience Unit Compliance Update Report.</p>		
4.9	<p><b>Baseline Governance Review Action Plan Report</b></p> <p>CD advised the Baseline Governance Review undertaken had produced a opportunities for improvement which were being monitored by the Management Board.</p> <p>CD outlined the key areas of progress from within the action plan.</p> <p>A further update would be provided to the July Audit and Assurance meeting and progress would continue to be monitored. CD added once the Structured Assessment had been completed this would be reported back via the formal Audit tracker.</p> <p>DS provided the Committee with an overview of the progress and discussions which took place at the last All-Wales Independent Members Digital Network meeting.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>NOTE</b> the Baseline Governance Review Action Plan</p>	For Assurance	None to note
4.10	<p><b>Estates and Compliance Report</b></p> <p>JA presented the following highlights from the report:</p> <ul style="list-style-type: none"> <li>• <b>DHCW Decarbonisation Strategic Delivery Plan</b> DHCW had become a member of the Welsh Government Community of Experts Climate Change Group.</li> <li>• <b>ISO 14001 Certification</b> The Environmental Management ISO 14001 certification has been successfully held since 2014.</li> <li>• <b>Compliance Statistics</b> The estates compliance statistics stood at 93% which was above the target of 90%.</li> <li>• <b>Health and Safety Statistics</b> There were very few incidents to report, 6 incidents across the year which were all reported and managed in line with targets.</li> </ul> <p>The Committee <b>resolved</b> to:</p> <p><b>NOTE</b> the Estates and Compliance Report.</p>	Noted	None to note

4.11	<p><b>Contract Extension Standard Operating Procedure</b></p> <p>JF presented the Contract Extension Standard Operating Procedure which was produced in response to a request from the Chair of Audit and Assurance Committee.</p> <p>The Committee were informed that a Standard Operating Procedure and associated flow diagram of the process had been developed by which contracts outside of their original contract value or term were dealt with compliance and in accordance with the Procurement Regulations.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>NOTE</b> the Contract Extension Standard Operating Procedure</p>	Noted	None to note
4.12	<p><b>COVID-19 Inquiry Update Report</b></p> <p>The Committee received for information the latest COVID-19 Inquiry update and noted the Inquiry would play a key role in preparing for the UK Inquiry and lessons learned.</p> <p>CD confirmed that DHCW had recently instructed NWSSP Legal and Risk services to provide support in preparing for the Inquiry, although it was difficult at this stage to scope the resource implications this may have on DHCW.</p> <p>MS added that it was unlikely that DHCW would be called as core participants, but the focus had been on ensuring there was an audit trail and all documentation was in one central location.</p> <p>The Committee agreed that a regular update mechanism on the COVID Inquiry should be received by the Committee.</p> <p><b>ACTION 20220503-A04</b> Agree a reporting mechanism for updating the Committee on the COVID-19 Inquiry. MS to bring back an update on the Inquiry preparedness provided by the Solicitors.</p> <p>CD updated the Committee that the Health Boards and NHS colleagues have recruited dedicated teams to work on the Inquiry and while it was acknowledged their situation differed from DHCW, staff at DHCW are responding to this Inquiry in addition to business as usual.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>NOTE</b> the COVID-19 Inquiry Update Report.</p>	Noted	<p><b>Action:</b> Agree a reporting mechanism for updating the Committee on the COVID-19 Inquiry</p> <p>MS to bring back an update on the Inquiry preparedness provided by the Solicitors</p>
4.13	<p><b>Standing Orders Annual Review Report</b></p> <p>CD presented the Standing Orders Annual Review report noting that it had already been presented to Board and provided the</p>	For Assurance	<p><b>Action:</b> CO-L agreed to bring the</p>

	<p>key updates:</p> <ul style="list-style-type: none"> <li>• Standing Orders, minimal changes were made for this financial year. The changes were set out in the report with the main change being to the Terms of Reference.</li> <li>• Standing Orders compliance, during 2021/22 it had not been necessary to bring any non-compliance with Standing Orders to this Committee.</li> </ul> <p>CO-L confirmed a review of the Standing Financial Instructions (SFI) had been completed and identified two areas where changes had been made during the financial year.</p> <p><b>ACTION: 20220503-A05</b> CO-L agreed to bring the review of SFIs to the next Audit and Assurance Committee.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>NOTE</b> the Standing Orders Annual Review report for <b>ASSURANCE</b></p>		review of SFIs to the next Audit and Assurance Committee
4.14	<p><b>NHS Wales Shared Services Partnership Committee Assurance Report</b></p> <p>COL provided the following highlights from the report:-</p> <ul style="list-style-type: none"> <li>• In relation to car and lease cost, NWSSP had made adjustments to the list to support the decarbonisation programme.</li> <li>• Performance demonstrated commonalities with recruitment issues at DHCW.</li> <li>• Energy inflation – NWSSP were instrumental in minimising impact of utility price increases.</li> </ul> <p>The Committee <b>resolved</b> to:</p> <p><b>NOTE</b> the NHS Wales Shared Services Partnership Assurance Report</p>	Noted	None to note
4.15	<p><b>Audit Chair’s Committee Summary Report</b></p> <p>The Chair provided the background to the report which took place amongst Audit Chairs and was primarily for sharing good practice.</p> <p>The next meeting is scheduled for later this month and the report would be presented to the July Committee.</p> <p>The Committee <b>resolved</b> to:</p> <p><b>NOTE</b> the Audit Chair’s Committee Summary Report for <b>ASSURANCE</b>.</p>	For Assurance	None to note
5	<b>CLOSING MATTERS</b>		

5.1	<p><b>Committee Highlight Report to Board</b></p> <p>The Chair noted the approved, endorsed and discussed items to be included in the Chair’s report for Board.</p> <p>It was noted that this Committee were demonstrating good practices.</p>	Discussed	None to note
5.2	<p><b>Any other Urgent Business</b></p> <p>None to note.</p>	Noted	None to note
5.3	<p><b>Dates and Times of Next Meetings:</b></p> <ul style="list-style-type: none"> <li>• 24<sup>th</sup> May 2022 (review of accounts) 10:00am</li> <li>• 14<sup>th</sup> June 2022 audited accounts 10:00am</li> <li>• 5<sup>th</sup> July 2022 09:00am</li> </ul>	Noted	None to note