Audit and Assurance Committee - Confirmed PUBLIC

MINUTES, DECISIONS & ACTIONS TO BE TAKEN

🕐 09:00 – 11:30   📅 11/05/2021

📍 Teams Call

Chair	Marian Wyn Jones

Present (Members)		Title	Organisation
Marian Wyn Jones	MJ	Independent Member, Chair of the Audit and Assurance Committee	DHCW
Grace Quantock	GQ	Independent Member, Vice Chair of the Audit and Assurance Committee	DHCW
David Selway	DS	Independent Member	DHCW
Attendees			
Claire Osmundsen-Little	COL	Director of Finance	DHCW
Chris Darling	CD	Board Secretary	DHCW
Mark Cox	MC	Deputy Director of Finance	DHCW
Julie Ash	JA	Head of Corporate Services	DHCW
Michelle Sell	MS	Chief Operating Officer	DHCW
Amanda Murray	AM	Secretariat	DHCW
Dave Thomas	DT	Audit Director	Audit Wales
Darren Griffiths	DG	Audit Manager	Audit Wales
James Quance	JQ	Head of Internal Audit	NWSSP Internal Audit
Martyn Lewis	ML	IT Audit Manager	NWSSP Internal Audit

Simon Cookson	SC	Director of Audit & Assurance	NWSSP Internal Audit
Nigel Price	NP	Local Counter Fraud Specialist	Cardiff and Vale University Health Board
Apologies			
Ruth Glazzard	RG	Independent Member	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

Item No	Item	Outcome	Action
1	**PRELIMINARY MATTERS**		
1.1	**Welcome and introductions**	Noted	None
	The Chair commenced by welcoming everyone to the inaugural meeting of the Digital Health and Care Wales (DHCW) Audit and Assurance (A&A) Committee. Digital Health and Care Wales was established on the 1 April 2021 with the remit to support the health and care system and enable delivery of high-quality health and care across Wales. DHCW touches every other NHS body in the work it does, and digital has never been more important in delivering health and care than the past twelve months.		
	The Chair asked that members introduce themselves and those in attendance introduce themselves as part of items they are presenting. The Chair noted the apologies earlier from the final Independent Member, Ruth Glazzard, Vice Chair of DHCW who has a strong background and experience in audit and governance.		
	The Chair noted that there will be opportunity for Committee members to meet in a closed session with colleagues from Internal and External Audit and Counter Fraud to prepare for		

	meetings.

DHCW is committed to being open and transparent and the Audit and Assurance Committee will ensure papers and minutes are uploaded to the DHCW website for members of the public to access.

The Chair noted that she had been fortunate to have had the opportunity to meet with Audit colleagues and thanked them for their time and support.

In line with current advice and guidance in relation to Covid-19 with respect to public gatherings, DHCW have decided not to hold Committee meetings in public, a decision taken in the best interests of protecting the public, DHCW staff and Committee members. This position will be monitored on an ongoing basis as restrictions ease.

The Chair noted there will be occasions where it is necessary for the Committee to receive items in a private session due to the sensitivity of the material presented. Today's Committee will include a short private session. | | |
| 1.2 | **Apologies for Absence**

It was noted that Ruth Glazzard (Independent Member) has tendered her apologies. | Noted | None |
| 1.3 | **Declarations of Interest**

There were no declarations of Interest received. | Noted | None |
| **2** | **MEETING BUSINESS** | - | |
| 2.1 | **Closure Report from Velindre University Trust Audit Committee**

The Chair invited the Board Secretary, Chris Darling (CD) to present the closure report.

The Board Secretary provided some background to the arrangements in place between NHS Wales Informatics Service (NWIS) and Velindre University NHS Trust. NWIS was established on 1st April 2010 and hosted by Velindre University NHS Trust who were responsible for the governance and assurance of NWIS activities.

The DHCW Chair, Bob Hudson met with the Chairs of the Velindre Quality, Safety and Performance Committee and the Audit Committee to go through a handover and discuss the closure report, no issues were identified.

CD informed the Committee the last Velindre Audit Committee took place on 22nd March. Minutes have yet to be received however there are no known outstanding Velindre Audit Committee actions. Actions on the audit | Noted | None |

	tracker will continue to be reviewed at the DHCW Audit and Assurance Committee. There is an outstanding action from the VHNHST Quality Safety & Performance Committee regarding a Microsoft Team Tenancy issue which will be tracked through DHCW Digital Governance & Safety Committee.

DHCW was established as a Statutory body on 1st April 2021 and will receive assurance through the new Committee structure outlined in the Standing Orders. Work was undertaken as part of the SHA transition project to map each of the responsibilities identified in the hosting arrangements to one of the transition project workstreams in Appendix A of the report and all actions are either complete or on target.

CD asked the Committee to note Section 3.1, lease approvals and high value contract awards (Over £750k) will now be submitted to the DHCW Board for approval.

Two Audit Reports did not go to the last Velindre Audit Committee and will be considered at today's Committee meeting.

Corporate Risks will become a standing agenda item for the DHCW Audit and Assurance Committee.

The Chair asked for clarification on the five Single Tender actions and two Change Control Notices, asking would that sum be typical commitments? Claire Osmundsen-Little (COL), the Director of Finance confirmed that most high value contracts related to Covid-19 and were reported to the committee for noting.   Michelle Sell (MS), the Chief Operating Officer agreed there were circumstances driven by Covid-19 requiring urgent action however, these were exceptions in terms of the activity and rigorous scrutiny internally and specific justifications would be drafted to support these tenders. | | |
| 2.2 | **Terms of Reference (ToR)**

The Chair invited CD to present this item.

CD confirmed the Committee were being asked to approve the Terms of Reference.

CD outlined the key responsibilities within the Terms of Reference that were to assure the Board and Chief Executive of good governance, advise on the assurance framework and approve on behalf of the Board relevant policies, procedures and written controlled documents.

The Terms of Reference have been developed in line with section 3.3 of the Standing Orders with eight areas of focus and have incorporated comments and feedback from Internal and External Audit colleagues. The Chair clarified the | Approved | None |

	composition and membership of the Committee for noting that the four Independent Members would include the Chair. **The Committee resolved to:** Approve the Terms of Reference			
2.3	**Audit and Assurance Committee Annual Cycle of Business and Forward Workplan.** CD presented the Annual Cycle of Business and the Forward Work Plan. The Committee will receive the Annual Cycle of Business prior to 31st March 2022 in readiness for approval for 2022/2023. This identifies the reports to be regularly presented for consideration and ensures that the Audit and Assurance Committee has the appropriate reporting to effectively carry out its role. CD explained the Forward Work Plan would be a live document, there will be additional items added for future meetings with discussions already highlighting additions to the work programme. CD asked that the members and attendees undertake some horizon scanning for potential items for inclusion and share those details with himself or the Chair. The Committee will meet on a quarterly basis with additional meetings being scheduled to consider annual reporting requirements in order to report to the DHCW SHA Board and Welsh Government. **The Committee resolved to:** Approve the Annual Cycle of Business and note the Forward Work Plan.	Approved	None	
3	**AUDIT AND COUNTER FRAUD**			
3.1	**Internal Audit 2021/22 Plan** The Chair invited Simon Cookson (SC) and James Quance (JQ) to present the item. SC provided some background of the Programme of Audit work undertaken in conjunction with the Welsh Government and NWIS over the last four years. On average five to six audits a year were undertaken after agreement from the NWIS management team. These were subsequently reported and approved by Velindre's Audit Committee. JQ outlined the proposed internal audit plan for the coming year. This has been presented to and approved by the DHCW senior leadership team in readiness for presentation at this Committee for approval. The initial plan concentrates on baseline work focusing on the key functions and processes of the organisation. JQ outlined the items included in the submission to the	Noted Approved	None	

Committee including the Charter, which provides details for the rules of engagement, the associated internal resource requirements and the Key Performance Indicators (KPI's) which can be noted in the appendix.

COL noted the Executive team worked with Internal Audit colleagues to finalise the plan and the paper presented today has the full support of the Executive team.

The Chair noted the plan's activity was focused towards the end of the year and questioned if this would pose a problem in delivering the planned work? JQ confirmed that although there were risks including the reduced time to address any concerns or potential limited assurance findings, discussion would take place regularly with DHCW colleagues to ensure work is on target and can be managed.

JQ confirmed that there was flexibility within the plan and if the Committee advised a change of focus was required this could be accommodated.

The Committee resolved to:

Approve the Internal Audit 2021/22 plan and note the associated charter, resource requirements and KPI's within the appendix.

3.2	**Internal Audit Reports**		Assured	None

Supplier Management Follow-up Report – Final Report

The Chair confirmed that the Supplier Management follow up audit has been completed as part of the Internal Audit Plan for 2020/21 for NWIS. This is the final report in respect of 2020/21. It will also be reported to the Velindre NHS University Trust Audit Committee as the Committee that approved the plan for the year 20/21

The Chair invited Internal Audit to present this item.

Martyn Lewis (ML) reiterated this was a follow up piece of work to ensure the actions from the initial audit were progressing appropriately. The finding was that good progress has been made to date with a number of key actions having been addressed. Noting the overall contract review process is slightly behind due to resource constraints within the Commercial Service team, the risk of this has been reported to the Executive team and is being mitigated by focusing on management of contracts with the highest risk, which Internal Audit deem to be the correct action.

The remaining item to make progress is the requirement for recording sign off for contract specifications. The delay in progress on this action is largely due to Covid-19, overall Internal Audit are satisfied with the progress.

	The Chair enquired as to the expected timescale for completion of the remaining action?		
	Julie Francis (JF) confirmed to the Committee that the remaining action would be completed by the end of May 2021. There will be specific and targeted training for the Commercial Services team and across the organisation to ensure embedding of defined procedures. JF noted that the Commercial Services team would continue to review and update the policies and procedures in line with best practice to reflect the changing needs of the business of DHCW. The team will also be undertaking internal department six-month audits to ensure compliance on the areas reviewed.		
	The Committee resolved to:		
	Receive the Supplier Management Follow-up Report for assurance.		
3.3	**External Audit 2021/22 Plan**	Approved	None
	The Chair invited Dave Thomas (DT) and Darren Griffiths (DG) to present the item.		
	DT explained he was the named Engagement Director for DHCW on behalf of Audit Wales. DG will manage the performance audit work moving forward. DT noted that other colleagues would join for the DHCW Audit and Assurance Committees in the future depending on the nature of the work being reported. DT noted the external audit operational plan does not follow the financial year, so the plan presented to the Committee is a part year plan. Early work would make use of working arrangements for Auditor General annual work with DHCW which as a public body include review of the Statutory audit of the annual accounts and conclusions on the arrangements in place for the organisations use of resources.		
	Early activity will include work to assess the DHCW governance arrangements established, and this work would be scheduled taking into account the fact that DHCW have only recently established as a statutory body, and the team would work closely with DHCW colleagues to time this work to take place when it would be most effective.		
	The Chair sought clarification on how delivery was being tracked for the outstanding recommendations highlighted in the Public Accounts Committee/Audit Wales reports into NWIS in 2018. External Audit advised the importance of it appearing on the audit tracker for management and assurance and as the report went to previous Public Accounts Committee (PAC), there would be a requirement for the new PAC to have a legacy view.		

	The Committee resolved to: Approve the External Audit 2021/22 Plan.		
3.4	**DHCW Audit Action log** The Chair invited Julie Ash (JA) to present the item and give context to how the audit tracker action log has been managed in NWIS previously. Historically actions were recorded on an Audit Tracker and presented to the Velindre Audit Committee. JA outlined the current status of the Audit Tracker, there were 11 open actions reported to the last Velindre University NHS Audit Committee, 2 were closed with a further 4 added from the Internal Audit resilience audit. Previous discussions have taken place and agreement was made to show 2 actions separately as the completion of these are dependent on external partners and out of our control as an organisation. With regard to progress, there are 4 green, 6 yellow, 1 amber and no red. There is now clarity on the organisation's position with regard to Networks and Information Systems (NIS) Directive. DHCW have identified Information Asset owners for all of our systems and have registered with the Information Commissioner's Office as a new statutory body. JA outlined the details of the amber item which described the associated action required for migration from legacy infrastructure. There is now a validated plan with Management Board sign off, the next step will be to discuss this with Internal Audit colleagues. David Selway (DS) commented on the New NHS Digital System delay in the provision of the payment system and how this would affect NHS Wales? JA advised the timescales were out of our control but DHCW colleagues in the demographics team were aware of the requirement and there is no need for concern with regard to negative impact. Grace Quantock (GQ) asked for the reasoning behind the RAG ratings? COL advised this was a historic choice, DHCW have worked closely with Internal Audit to ensure it was consistent with other NHS Wales approaches. The RAG ratings in use are a simple and quick way of being able to understand priorities and target resources where needed. As an organisation we have made progress on our management of the audit actions including reviewing on a weekly basis. DHCW would be pleased to work with Independent Member colleagues to improve the process further. DS referred to the handover report and questioned the criticality with regard to the Legacy Application with old code (LASPAR) and the limited skills DHCW have in order to	Discussed	Arrange a meeting with GQ, COL, SC, CD and JA to share approaches and learnings on RAG ratings.

	maintain that code moving forward. JA advised a plan was in place to migrate to a controlled environment where skills were available with options being worked through currently.		
	The Chair acknowledged the progress to date made on audit actions and welcomed the current proposed split of actions of those under DHCW control and those that are not.		
	ACTION - 20210511 – A01: Arrange a meeting with GQ, COL, SC, CD and JA to share approaches and learnings on RAG ratings.		
	The Committee resolved to:		
	Discuss the DHCW Audit Action log and note the current position on progress including the 4 actions to be closed.		
3.5	**Counter Fraud**	Assured	Executive team to select a champion for counter fraud to lead internally for the organisation.
	The Chair invited Nigel Price (NP) the DHCW Counter Fraud lead from Cardiff and Vale University Health Board to present the report.		
	NP explained that no counter fraud work had been undertaken to date with DHCW, due to the establishment of the organisation only taking place on the 1st April 2021.		
	NP is organising Counter Fraud awareness presentations for all the staff in the organisation. There are no active investigations linked to DHCW at present.		
	NP gave an overview of the National Fraud Initiatives and the steps that Counter fraud undertake to ratify the data produced. The National Fraud Initiative has been included in the plan for this year as some employees for DHCW may have transferred from Health Boards.		
	The Chair referenced the breakdown of the planned activity and queried that zero days had been allocated to prevention and was interested in understanding the approach to prevention and how the financial procedures will be linked to the counter fraud work. How will learning and awareness of policies be embedded to help avoid fraud?		
	NP responded that learnings would be tailored to the audience to ensure the appropriate information is shared. NP will work with colleagues to embed the preventative actions required to help staff stop and consider what they are being asked to do.		
	The Committee discussed appointing a Counter Fraud Champion within DHCW to act as the link to the work with NP. DHCW are adopting new training approaches including making counter fraud e-learning part of the mandatory package.		
	ACTION – 20210511 – A02: Executive team to select a		

		champion for counter fraud to lead internally for the organisation.		
		The Committee resolved to:		
		Receive the Counter Fraud report for assurance and note the planned activity information.		
4		**CORPORATE REPORTS**		
4.1		**Corporate Risk Register**	Noted	JA to ensure the lift is ventilated and will look at the Covid-19 SOP to ensure the requirements for wheelchair users are explicitly outlined.
		The Chair invited JA to present the item.		
		JA outlined the current processes in place for the management of risk in the Organisation. The risks are assessed by the risk management group and the monthly Management Board review the Corporate Risk register		
		The categorisation of the current risks (excluding Cyber) are:		
		• 4 x Business and Organisational		
		• 2 x Clinical		
		• 1 x Health and Safety		
		• 2 x Information Governance		COL and CD to develop the DHCW approach to the corporate risk register for the next meeting.
		• 1 x Projects		
		• 6 x Service Interruption		
		JA highlighted several risks for the Committee,		
		NWIS0207 – Document Management		
		This risk has been at this level for some time, a third party has since been engaged and a plan is now in place to deliver a series of workshops led by Service Management.		
		NWIS0280 – Welsh Language Standards Consultation		
		As a new SHA the Welsh language standards do not apply however, in line with the requirements of the Welsh Language Act a scheme will be established over the next four to five months by JA and CD.		Update on the progress of the Welsh language Scheme creation to be reported to the July Committee
		The Chair asked for clarification of the DHCW position on the Welsh language Standards. JA advised the Welsh Language Standards were introduced in 2011 and did not include Special Health Authorities. There is currently no indication from Welsh Government as to the timeframe for including Special Health Authorities in the legislation, however JA believes it will not take longer than a year. NWIS previously worked to the standards when hosted by Velindre and DHCW will continue to do so via the scheme to be developed. The Chair emphasised the importance of getting a timeline in terms of delivery of the scheme and asked for an update as		

soon as available.

NWIS0262 – Medical Devices Regulations

This risk has been assessed at a recent risk management group and the decision has been taken to de-escalate it from the Corporate Risk register as this was now being managed as part of business as usual whilst the new regulations are being developed.

NWIS0236 – Accessible lift at Tŷ-Glan yr Afon.

Work by the landlord has now commenced and is due to be completed by the end of the month.

GQ raised the issue of the accessible lift and how this will work with Covid-19 restrictions? JA confirmed there was an alternative entrance via the ground level carpark.

ACTION – 20210511 – A03: - JA will ensure the Covid-19 SOP to ensure the requirements for wheelchair users are explicitly outlined.

The Chair then opened questions out to the floor.

NWIS0259 – Vacancy factor and niche skills requirements

DS asked how risk **NWIS0259** relating to current staffing issues were going to be addressed. Michelle Sell (MS) The Chief Operating Officer confirmed that a recruitment taskforce had been set up to help manage both recruiting to difficult roles and managing the vacancies. The scope of avenues for recruiting have been broadened recently, which has resulting in good returns in terms of filling much needed positions. Alternative options are being explored in terms of the organisations approach to delivering the plan which may require DHCW to think differently about its approach.

NWIS0237 – Demand exceeding capacity

DS raised the concern of the combination of risk **NWIS0307** and **NWIS0237** and what the organisation's plan was for addressing these? MS explained that the requirements for Covid-19 have been planned into the Annual Plan for 21/22. A dedicated team has been established to ring fence not just the resource for the Covid-19 response but also the other elements of the plan. COL added that a paper in relation to the vaccine systems requirements has been presented to WG proposing the introduction of permanent development positions in support of the vaccine development system that could pivot to develop other systems whilst retaining the learning.

DS asked that with the move to the product-based approach for developing systems, this has an intrinsic cost. Have we worked through the funding requirements for supporting the

	lifecycle of the products? COL explained that the transition to DHCW has started these conversations and that the proposed approach to vaccine is the second application to be managed in this way. The overall requirements for DHCW will be to understand the fit in the organisation and the development pipeline. **ACTION - 20210511 – A04:** COL and CD to work on the Corporate Risk Register to develop the DHCW approach for the next meeting **ACTION - 20210511 – A05:** Update on the progress of the Welsh Language Scheme creation to be reported to the July Committee **The Committee resolved to:** Note the detail of the Corporate Risk Register.		
4.2	**Finance Update (Verbal)** The Chair invited COL to present the item. COL provided a verbal update on the financial position. COL reported that the first month of the new organisation was yet to be closed. However, DHCW can report there were no losses or special payments of note to date. Budget delegations have been completed, signing off with each budget holder their delegated budget for the year. The Standing Financial Instructions have been finalised and will be presented for approval at the DHCW SHA Board on the 27th May. **The Committee resolved to:** Note the verbal update from the Executive Director of Finance	Noted	None
4.3	**Procurement Update (Verbal)** Julie Francis (JF) was invited by the Chair to present the report. JF explained that future procurement reports to the Committee will contain the compliance position relating to the Standing Financial Instruction. Including: • Single Quotation and Single Tender activity • Address the issues understanding Standing Financial Instructions and Procurement Regulations • Any extensions outside contract terms. The Chair thanked JF for the update and welcomed the planned report for the next meeting **The Committee resolved to:**	Noted	None

	Note the verbal update from the Head of Commercial Service.		
4.4	**Declarations of Interest and Gifts and Hospitality** The Chair invited JA to present the item. JA stated the standards of behaviour policy was approved by the Board on the 1st April 2021. Under the policy there is a requirement to report on Declarations of Interest and declare any offers of gifts and hospitality that has been received. This activity has been previously reported to the Velindre Audit Committee, so will in future be reported to the DHCW Audit and Assurance Committee. Declarations of Interest are initially being collated for the Board, this will then roll out further to senior managers in the organisation and be led by the Board Secretary. JA stated that no notice of gifts or hospitality have been received in April 2021. **ACTION – 20210511 – A06:** The Declarations of Interest register will be presented to the July Committee. **The Committee resolved to:** Note there were no declarations of gifts and hospitality.	Noted	The Declarations of Interest register will be presented to the July Committee.
4.5	**Estates Compliance Report** The Chair invited JA to present the report referencing the importance of demonstrating compliance with Health and Safety and other estates related legislation. JA gave an overview of the current compliance status for the estate's portfolio. Overall compliance testing has dropped slightly this month to 89%, there is planned work now in motion for the DHCW Compliance Team and the building landlords to improve this position. JA emphasised this work will ensure the compliance will increase in readiness for review at the next meeting. The report also included details of Health and Safety incidents. The DHCW Safety, Health and Environment group receive detailed inspection reports for each site within the estate to ensure robust scrutiny. DHCW use a third-party supplier for specialist health and safety advice and have done for a number of years as NWIS. The organisation use Datix to record incidents of all kinds not just health and safety. The upgraded cloud-based version of the system will be adopted for incident reporting within the next two to three months. JA relayed to the Committee DHCW's commitment to Environmental Management. There is a Sustainability Strategy is in place for the DHCW Estate and JA would be	Noted	Update the report to include an Executive Summary

	happy to share with the Committee for information. The Chair noted the paper gave a lot of detail and would find it helpful to have an Executive Summary analysis. **ACTION - 20210511 – A07:** Update the report to include a cover paper / Executive Summary. **The Committee resolved to:** Note the Estates Compliance Report.			
4.6	**Quality & Regulatory Compliance Report** The Chair invited Konrad Kujawinski (KK) to present this item to the Committee. The quality progress report highlights the new strategy objectives for quality and regulatory, the role of the new department and details the Governance Framework for the department. KK outlined the key areas within the progress report. There is an ISO 20001 Service Management external regulatory audit planned in the next few months. Additionally, there will be a change audit by the regulator to assess the transition from NWIS to DHCW. With regard to internal regulatory audits, the focus is on improving compliance, roll out of the Quality Management System strengthened through i-Passport and increased evidence-based performance measure. COL gave a verbal update on the recently launched Cyber Resilience Unit which is enacting the Network Information System (NIS) Directive on behalf of Welsh Government. DHCW will take the leading role in validating and providing assurance to Welsh Government in compliance with the regulation across NHS Wales. After the Directors review it was felt that regulatory responsibility would fall under Quality and Regulatory although further discussion was required to decide which Committee would be most appropriate for reporting purposes. **ACTION – 20210511 – A08:** Include the progress update on the Cyber Resilience Unit performance within the Quality and Regulatory Report. **The Committee resolved to:** Note the Quality and Regulatory Compliance Report.	Noted	Include the progress update on the Cyber Resilience Unit performance within the Quality and Regulatory Report.
5	**DOCUMENTS FOR REVIEW**			
5.1	**Risk Management and Board Assurance Framework Strategy** CD provided an overview of the papers included for submission to the Committee. The key areas were	Approved Risk and BAF Strategy	None

	highlighted regarding Risk Management and CD advised the Committee that DHCW had inherited the NWIS approach to Risk Management and the policy was adopted on the 1st April 2021.	including the milestone plan.	
	The proposal builds on the existing arrangements in place but expands the scope to include not only risk management but Board assurance. The strategy proposes that the DHCW Committees have a role in overseeing and scrutinising risk on the Corporate Risk Register relating to the areas of Committee responsibly. There should be a consistent approach when describing and articulating risks as set out in section 2.4 of the cover paper.		
	The key milestones for implementing the strategy are included with the view it will take six to nine months to establish the Board Assurance and Risk appetite approach.		
	For noting, the Board Assurance Framework will be used by the board to identify, monitor and evaluate risks which impact delivery of strategic objectives. This would be used in conjunction with other information which will be presented to Board.		
	The Board Secretary highlighted the table in 7.18 of the strategy which detailed the scoring of risks for clarity and understanding for the IM's.		
	The Chair stated that it was a very important overview in understanding the journey and the steps which needed to be taken.		
	DT stated from reviewing the strategy the organisation had a good grip of what was required and the importance of getting the organisation and staff to understand the importance of Risk.		
	The Committee resolved to:		
	Note and endorse the proposed approach to risk and the board assurance		
5.2	**Model Standing Orders and Standing Financial Instructions** CD confirmed that these have been approved at the DHCW SHA Board meeting on the 1st April 2021.	Noted	None
	The Standing Orders (SO's) which were approved at the DHCW SHA Board meeting did not have a finalised Terms of Reference, the updated documents will be presented for approval at the Board on the 27th May 2021.		
	COL advised the Standing Financial Instructions (SFI's) are there as a rulebook although there will be review during the year to ensure compliance and validation.		

	The Committee resolved to: Note the changes made to the Standing Orders and Standing Financial Instructions.		
5.3	**Financial Control Procedures** The Chair invited Mark Cox (MC), the Deputy Director of Finance to present the financial control procedures for approval. MC noted for the Committee that DHCW have worked with partner organisations including Health Education and Improvement Wales (HEIW) to ensure the Financial Control Procedures (FCP's) for DHCW are modelled on live procedures within other organisations. Work is ongoing with the Finance Academy and the All Wales Governance Group to ensure best practice across the NHS Wales family and any procedures that are reviewed and updated will be presented back to the Audit and Assurance Committee for approval. Item 5.3ii highlights the procedure for recovery for overpayments to staff. This is setting out the roles and responsibilities for Payroll, workforce and Finance to ensure procedures are in place for ensuring as much preventative action can be taken to mitigate the risk of this happening. MC confirmed that any write offs in relation to overpayments would be presented to the Committee for approval. MC highlighted to the Committee item 5.3iii the procedure relating to the Integrity and Control of Financial System. This ensure adequate controls around the Oracle financial system, the Financial Accountant who is in charge of monitoring the system will undertake a quarterly audit with any issues being reported to the Audit Committee. Item 5.3v reference the procedures for Month End Closure and Monitoring Returns for submission to Welsh Government. The reporting requirements have recently been expanded to include the Trace, Track and Protect and mass immunisation financial profiles. Item 5.3viii outlines the procedure for Accounts Receivable which outlined how income and invoices are generated. As part of the process it is a requirement to chase debt, in some circumstances there will be unrecoverable debt, in that instance it will brought to the Committee for approval. MC outlined the next steps for finance in DHCW, which will be to ensure all processes and procedures are in line with the FCP's and the Committee is assured that the appropriate levels of financial control are in place and demonstrable. The Chair reiterated linking counter fraud and the Financial Control Procedures will be important moving forward.	Approved	

	The Committee resolved to: Approve the Financial Control Procedures.			
6	**OTHER ITEMS**			
6.1	**Items for Chair's Report to Board** The Chair noted the approved, endorsed and discussed items to be included in the Chair's report for Board.	Discussed	None	
6.2	**Any other Urgent Business** None to note.	Noted	None	
6.3	**Date and Time of Next Meeting:** 6th July 2021	Noted	None	