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**Confirmed Minutes of the Public Health Wales
Audit and Corporate Governance Committee Meeting
15 September 2021 at 09:30
Room 3.7 Capital Quarter and via Microsoft Teams**

Present		
Dyfed Edwards	(DE)	Committee Chair and Non-Executive Director
Diane Crone	(DC)	Non-Executive Director
In Attendance:		
Rhiannon Beaumont-Wood	(RBW)	Executive Director of Quality, Nursing and Allied Health Professionals
Liz Blayney	(LB)	Deputy Board Secretary and Board Governance Manager
Helen Bushell	(HB)	Board Secretary and Head of Board Business Unit
Tracey Cooper	(TC)	Chief Executive (Arrived at 10:30)
Paul Dalton	(PD)	Head of Internal Audit, Audit and Assurance Services, NHS Wales Shared Services Partnership
Mark Dickinson	(MD)	NHS Wales Collaborative (For Item 3.2.3 only)
Drew Evans	(DrE)	Head of IM and T
Angela Fisher	(AF)	Deputy Director of Finance
Huw George	(HG)	Deputy Chief Executive, Executive Director of Operations and Finance
Lucy Jugessur	(LJ)	Financial Audit Manager, Audit and Assurance Services, NHS Wales Shared Services Partnership
Neil Lewis	(NL)	Director of People and Organisational Development (for item 3.1 only)
Verity Winn	(VW)	Audit Wales

Secretariat		
Andrew Morton	(AM)	Board Support Officer
Apologies:		
Andrew Cottom	(AC)	Independent Advisor
Jane Matthews	(JM)	Head of Financial Reporting and Control
Mohammed Mehmet	(MM)	Non-Executive Director
Stuart Silcox	(SS)	Assistant Director of Integrated Governance, Quality Nursing and Allied Health Professionals
Stephanie Wilkins	(SW)	Representative from Staff Partnership Forum

The meeting commenced at 09:30

ACGC 150/2021 Welcome and Apologies for Absence

DE opened the meeting and welcomed all present, noting that due to the ongoing response to the COVID-19, and in respect of the National guidance in place, meetings were being held electronically.

The Committee **noted** that the meeting was being recorded to support with accuracy of the minutes, and that this recording would be deleted once the minutes had been agreed at the following meeting.

Apologies for absence were **noted**.

ACGC 151/2021 Declarations of Interest

HB reminded the Committee of her declaration standing on the Register, as she had a close family member who worked as part of the NHS collaborative, specifically noting NHS collaborative Procurement Advisory Internal Audit on the Agenda.

There were no other declarations of interest in addition to those already declared on the Declarations of Interest register.

ACGC 152/2021 Items for Assurance

ACGC 152.1/2021 Cyber Security

The Committee received the Cyber Security Audit Committee update paper (ref 3.1 ACGC 150921).

A presentation from DrE provided an update on the Network and Information Systems (NIS) Directive, and the results of a phishing exercise conducted, which were presented in the context of an incident that occurred within the Republic of Ireland's Health Care computer network.

DrE highlighted the following:

- A summary of the IT achievements in the previous six months, including:

- Technical control improvements to patch or install cyber hygiene apps, improving email filtering blocks, additional feeds to SIEM and network segregation;
- Improvement of user awareness and phishing exercises;
- Compliance to NIS phases 1 & 2.
- Work had focussed on six areas of work:
 - Identity management;
 - Cyber Hygiene improvements;
 - Implementation of ISE (network segmentation);
 - Security Information and event management (SIEM) feed;
 - Firewall segregation; and
 - Capacity and legacy hardware reviews.
- Statutory and Mandatory Training – All Public Health Wales staff were required to undertake mandatory Cyber Security Training as part of the statutory and mandatory training within ESR.

The Committee asked whether that lessons had been learned and implemented following the attack in the Irish Republic. DrE assured the Committee that steps had been taken to mitigate the potential for a similar attack to that experienced in Ireland, including additional software installed.

HG noted that the work undertaken by DrE and the IT team was ongoing, and one of continual narrative reporting and at the same time continuing to update systems to then report back to the Committee.

The Committee **took assurance** on the work undertaken in the IT department, and agreed to receive a further progress update in six months.

Action: LB to add to the workplan

ACGC 152.2/2021 Internal Audit

ACGC 152.2.1/2021 Internal Audit Reports

The Committee received the following Internal Audit Final Reports (ref 3.2.1a, b and c ACGC 150921):

- Operational Plan;
- Staff wellbeing;
- Additional Hours and Overtime.

Operational Plan

The Operational Plan Internal Audit Final Report had received a substantial assurance, DE reminded the Committee this was an important point to note given the circumstances surrounding the pandemic. The report contained no actions for improvement, noting that there were adequate reporting mechanisms in place to monitor the milestones within the Operational Plan.

The Committee **accepted** the Operational Plan Internal Audit Final Report.

Staff Wellbeing

The Staff Well-Being Internal Audit Final report had received a reasonable assurance. The report contained two medium priority, and one low priority recommendations.

In relation to the staff surveys undertaken, it was noted that the two surveys had been completed at different times of the year, which could mean there were seasonal variations in the data collected. NL advised the Committee that the timings were chosen to complement the timing of other organisational surveys to ensure there were not too many at once.

In response to a query around the attendance at meetings that some departments had not been represented, NL assured the Committee that issues surrounding attendance had been addressed and it was noted that attendance had improved significantly.

The Committee **accepted** the Staff Well-Being Internal Audit Final report.

Additional Hours and Overtime

The Additional Hours and Overtime Internal Audit Final report received a limited assurance. The report had been requested to be undertaken by Internal Audit due to the increased number of overtime claims due to the ways of working operated within the pandemic. It was observed that the approval process was not always followed and that workforce scrutiny was not consistent through the pandemic, and the guidance for completing the forms needed to be made clearer.

The Committee asked for quantification of the figures in the report. NL assured the Committee that the numbers involved were less than 12 and currently only one case remained under investigation. AF reported that cross checking had taken place to ensure that claims had been made correctly. HG advised the Committee that an important concern was that staff did not work excessive hours and that breaks were taken as needed. It was emphasised that the issues highlighted resulted directly from the pandemic response, and that the appropriate systems were now in place.

PD advised the as per the usual practice, a follow up Internal Audit paper would be produced in six months' time, which would consider how the organisation had addressed the actions recommended for improvement. This would be presented to the Committee in due course.

AF suggested that earlier review of the actions put in place would be welcome from Internal Audit, particularly as new forms had been developed. PD agreed to liaise with AF to discuss this.

Action: PD/AF

PD advised the Committee this report was presented in the new, clearer format, and that all future reports would use this format.

The Committee **accepted** the Additional Hours and Overtime Payments Internal Audit Final report.

ACGC 152.2.2/2021 Internal Audit Progress Report

The Committee received the Internal Audit Progress Report (ref 3.2.2 ACGC 150921).

PD drew the Committee's attention to the on-going work in progress and reminded the Committee that whilst the plan was shown, publication of reports would be dependent upon any change in response to the pandemic.

The Committee **accepted** the report.

ACGC 152.2.3/2021 Procurement Advisory, Internal Audit

The Committee received the Collaborative Procurement Advisory, Internal Audit Report (ref 3.2.3 ACGC 150921).

DE reminded the Committee NHS Wales Health Collaborative was a hosted body of Public Health Wales responsible for its own compliance with relevant policies, procedures and guidelines.

PD summarised the advisory review; the scope for the review was the governance process followed in relation to funding commitments and contractual arrangements inherited from specific Health Boards by the Collaborative for a series of projects/programmes consistent with the Collaborative's remit and to consider their alignment with its own procedures in order to ensure they satisfy financial transactions being made through the Collaborative and Public Health Wales. It focused on a sample of commitments and contractual arrangements made with organisations external to NHS Wales and inherited by the Collaborative in respect of the implementation groups.

The findings of the review suggested steps/actions for the Collaborative to take to address the issues raised within the review. It was acknowledged the report had been written in May and that things have moved on considerably since then, and much work has been undertaken by the Collaborative with support from the procurement team in Shared Services and staff in Public Health Wales.

MD responded to the report and updated the Committee;

- The Collaborative was to present a paper to their governing body, the Collaborative Executive Group, comprising the Chief Executives of Health Boards, Trusts and Strategic Health Authorities (SHAs) at its upcoming September meeting.

The Collaborative was ensuring that all expenditure had been properly made in the year ending 31 March 2021.

Considerable work has been undertaken by staff in the Collaborative, Public Health Wales and the Health Boards, which had meant that financial settlement had been possible in all cases.

Plans for the current financial year were ongoing, funding streams were uncertain and confirmation of some streams were still awaited. All staff have been made aware of procurement requirements and that each procurement must have an audit trail which goes back to a decision made by a formally constituted group which has its documentation appropriately recorded.

Discussions were underway with Digital Health and Care Wales (DHCW) and Shared Services with the possibility to enter into agreement with the bodies of forming a framework agreement. Clarity of income streams was required for this to proceed.

MD provided assurance to the Committee that the NHS Collaborative was in a position to state they have appropriate oversight of monies, their decision making was transparent and expenditure and budgets were being overseen appropriately and reported correctly both within the Collaborative and externally.

DE thanked MD for his approach and for his verbal update and asked what was the arrangement and process for the role of Public Health Wales to receive reports from the Collaborative and to receive assurance. TC suggested that a six monthly meeting between TC, HG and MD be implemented with a 12-monthly review. In the short term, after three months, a progress report on the action plan should be submitted to TC and HG for review and this would be discussed at the first six-monthly meeting.

DE asked that in addition to those proposals, MD should immediately report to the Audit and Corporate Governance Committee any cause for concern which might arise so that it can be investigated as soon as possible.

HB noted that MD had brought his concerns to the Committee and it had proved a valuable exercise in resolving what had developed into a complex issue.

DE thanked MD for attending and discussing the matter with the Committee. The Committee **accepted** the advisory report, noting the agreement for MD to report anything of concern to the Committee as the agreed actions were implemented.

ACGC 152.3/2021	Break
ACGC 152.4/2021	External Audit

VW advised the Committee there was nothing to report to the Committee.

ACGC 152.5/2021	Finance Performance Report
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HG gave a verbal update, advising the Committee that the organisation was forecasting a break even position, having recently presented 'Month Five' reports to Welsh Government. The capital programme spending was continuing as normal. Directors were in the process of developing detailed spending plans.

The Committee **accepted** the verbal report.

ACGC 152.6/2021 Procurement Report

The Committee received the Procurement Report paper (ref 3.6 ACGC 150921). AF briefly explained the Single Tender Actions (STAs) and Single Quotation Actions (SQAs) listed in the appendices; an additional column had been included within Section 3 to highlight the number of file notes, a retrospective endorsement by procurement.

The Committee asked for clarity on the use of a transparency notice. AF explained this was a Voluntary Ex Ante Transparency (VEAT) Notice, which was used to notify the market of an intention and justification for a direct award.

HG responded to a question regarding staffing levels within the Finance Team, and stated that additional help was provided from Shared Services during the pandemic, and that sustaining the level of work at that intensive rate could not continue without the support of Shared Services, or additional staffing being secured within Public Health Wales.

The Committee took **assurance** that procurement activity was being undertaken in line with Standing Financial Institutions.

ACGC 152.7/2021 Losses and Special Payments

The Committee received the Losses and Special Payments paper (ref 3.7 ACGC 150921).

The Committee asked if the level of ex-gratia payments was of concern. AF confirmed that these were of normal levels and suggested a trend graph could be provided in future. DE asked if this matter could be monitored and reported back to the Committee if any areas of concern were identified.

The Committee took **assurance** that all losses and special payments had been made in accordance with the requirements of the Standing Financial Institutions.

ACGC 152.8/2021 Corporate Risk Register

The Committee received the Corporate Risk update paper (ref 3.8a and b ACGC 150921). RBW advised the Committee of ongoing significant work to update the Corporate Risk Register to reflect ongoing changes relating to the pandemic.

Recent work to update Risk 004, 100 and 101 had been received earlier in the morning from NL; A dedicated resourcing and recruitment team was in place to support business case induction and to ensure full staff induction. Additionally, support and training was being provided to line managers. Regarding Risk 100, work was ongoing to improve compliance; Risk 101 was being considered within the context of the long term people strategy review.

Risk 001, which related to screening services, was reliant upon additional funding from Welsh Government for which a decision was awaited. AF noted that in the meantime, progress with the screening recovery plan was continuing using agreed

slippage on other investments until confirmation was received from Welsh Government on the funding.

The Committee asked for clarification regarding the status of the Corporate Risk Register in the light of the ongoing refresh to the approach to risk. RBW advised the Committee that there were ongoing plans update the risk registers in the context of recovery, and to develop a three-year risk development plan.

The Committee **accepted** the Corporate Risk Register presented and **accepted** the proposed changes to the action target dates.

ACGC 152.9/2021	Information Governance Quarterly Report (Q4 2020/21) and (Q1 2021/22)
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The Committee received the Information Governance Quarterly Report papers for Quarter 4 2020/21 and Quarter 1 2021/22 (ref 3.9a, b c and d ACGC 150921).

RBW highlighted the following:

- Compliance with the Information Governance statutory and mandatory training was below target within the Board and Corporate directorate; comparison between the quarterly reports showed an improving position. HB noted that compliance had improved within the directorate, and that as a small team even minor changes made a significant impact;
- The amount of time spent on freedom of information (FoI) requests and subject access requests was highlighted; the information Governance team had worked to find ways to streamline the process to improve this.

The Committee **took assurance** that the Information Governance Management System was working effectively.

ACGC 152.10/2021	Data Breach Update
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The Committee received the Data Breach update papers (ref 3.10a and b ACGC 150921), presenting the progress made against the action plan which was developed in response to the data breach in the Communicable Disease Surveillance Centre (CDSC) in August 2020.

RBW highlighted:

- Progress was being made on individual breaches; work was outstanding or delayed in some areas due to external reasons.
- A Peer Review had been suggested, the body identified to undertake the review had been unable to complete the work because of time constraints. Discussions had recently taken place with Iain Bell to address this and this work was been addressed through Integrated Governance processes as a pilot of the model.

The Committee asked for an indication of when the action plan would be completed, and reported back to the Committee, RBW noted that it was anticipated that the actions listed would be completed by the target of 31 December 2021, however,

she stressed that this date was reliant upon the external organisation(s) being able to undertake their peer review

The Committee asked for an update on the Data Breach action plan be provided at its next meeting in January 2022.

Action: RBW / LB

The Committee:

- **Considered** and took **assurance** on the progress of the data breach action plan.

ACGC 152.11/2021 Integrated Governance Update

The Committee received the Integrated Governance update paper (ref 3.11 ACGC 150921).

The report outlined the current status of the work being undertake; RBW reminded the Committee of the two areas selected for the pilot for the Integrated Governance – the data breach and the response to the pandemic and a report would be presented for these studies. The aim of the pilots was to test the model's practical applicability to Public Health Wales; the detailed, operational findings from the pilots would be summarised and presented to the Audit and Corporate Governance Committee at a later date.

The Committee asked that as part of this update on the pilots, that an indication of the impact of the Integrated Governance Model be included, such as an outline of the improvements that had been identified as a result, or any changes to practice.

The Committee took **assurance** on the progress of the work on the Integrated Governance model.

ACGC 152.12/2021 Declarations of Interest Update

The Committee received the Declaration of Interests update paper (ref 3.12a, b, c and d ACGC 150921). The Committee **accepted** the report.

The Committee:

- **Received assurance** on the implementation of the Standards of Behaviour Policy and the Declarations of Interest, Gifts, Hospitality, Honoraria and Sponsorship Procedure.
- **Noted** there were no areas of concern to raise to the Committee's attention.

ACGC 152.13/2021 Strategic Risk Register – Update on Process

The Committee received the Strategic Risk Register update paper (ref 3.13 ACGC 150921). RBW noted that the Board had agreed that it was agreed that there was a requirement for the 'Strategic Risks' to be reviewed and re-articulated in the context of the response to and recovery from the COVID-19 Response. As a result of this review, five new 'Strategic Risks' were identified and the risk descriptors

were subsequently agreed by the Board with the understanding that further work would be undertaken to complete the controls and identify appropriate actions to mitigate these newly identified 'Strategic Risks'

The Committee:

- took **assurance** that development of the Interim Strategic Risk Register and its format is progressing and would be submitted to Board for approval in September 2021.

ACGC 153/2021 Items for Approval

ACGC 153.1/2021 Internal Audit Action Log

The Committee received the Internal Audit Action Log (ref. 4.1a and b ACGC 150921). LB informed the Committee of progress since the report was last before the Committee on 5 May 21.

DE reminded the Committee that whilst the pandemic, it had accepted that the implementation of recommendations would have been delayed, and as such had approved a number of changes to the deadline dates in the past. It was agreed that the Committee would expect to see this position changing as the organisation moved to focus on recovery.

DC asked if a traffic light system could be introduced in future to show the likelihood of actions being met within the deadline stipulated. HB agreed with this suggestion, and added that the level of risk could be drawn out in to the cover report to make this clearer with the date being already noted in the appendix.

The Committee **approved** the request to change the date on ten actions and **approved** the closure of seven actions.

ACGC 153.2/2021 Ratification of Chair's Action

The Committee received the Ratification of Chair's Action paper (4.2 ACGC 150921). Three policies were approved by Chair's Action in July due to the need to adopt the All Wales Policies before the date of the next Committee.

The Committee:

- **Noted** the occasion where Chair's Action was taken;
- **Received assurance** that the actions were taken in accordance with Section 2 of Standing Orders;
- **Ratified** the Chair's action to approve:
 - (1) the All Wales Information Governance Policy
 - (2) the All Wales Information Security Policy
 - (3) the All Wales Internet Use Policy.

ACGC 153.3/2021 Minutes, Action Log and Matters Arising

The Committee received the minutes of the last meeting (4.3a, b and c ACGC 150921).

The minutes received were **accepted** as a true and accurate record of the meeting.

The Committee considered the action log and **agreed** to close four actions points.

ACGC 154/2021 Items to Note

The Committee **received** the Counter Fraud Progress Report Paper (ref. 5.1 ACGC 150921).

ACGC 155/2021 Closing Administration

ACGC 155.1/2020 Date of next meeting

Wednesday, 15 January 2022, 09:30, Room 3.7 Public Health Wales, Capital Quarter and via Microsoft Teams

ACGC 155.2/2020 Publication of Papers

The Committee **noted** that the Committee papers, with the **exception** of:

- 3.1 Cyber Security
- 3.6 Procurement Report
- 3.7 Losses and Special Payments

ACGC 155.3/2020 Committee Feedback

DE thanked everyone for their contributions during the meeting, attendees provided some feedback as to the effective running of the meeting. DE invited any further feedback via email post the meeting.

The Meeting concluded at 12:10

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