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**Confirmed Minutes of the Public Health Wales
Audit and Corporate Governance Committee Meeting
16 March 2022 at 09:30 via Microsoft Teams**

Present		
Dyfed Edwards	(DE)	Committee Chair and Non-Executive Director
Mohammed Mehmet	(MM)	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
Paul Dalton	(PD)	Head of Internal Audit, Audit and Assurance Services, NHS Wales Shared Services Partnership
Karen Evans	(KEv)	Director of Resources (Business, Communications & Finance), NHS Wales Health Collaborative
Angela Fisher	(AF)	Deputy Director of Finance
Huw George	(HG)	Deputy Chief Executive, Executive Director of Operations and Finance
Eifion Jones	(EJ)	Audit and Assurance Services
Lucy Jugessur	(LJ)	Financial Audit Manager, Audit and Assurance Services, NHS Wales Shared Services Partnership
Jane Matthews	(JW)	Head of Financial Reporting and Control, Finance
Jan Williams	(JW)	Chair
Verity Winn	(VW)	Audit Wales

Apologies:		
Andrew Cottom	(AC)	Independent Advisor
Diane Crone	(DC)	Non-Executive Director
Ramim Khan	(RK)	Audit Wales

Secretariat		
Andrew Morton	(AM)	Board Support Officer
The meeting commenced at 09:30		
ACGC 7/2022 Welcome and Apologies for Absence		
<p>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.</p> <p>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 next meeting in May 2022.</p> <p>The apologies for absence received were noted.</p>		
ACGC 8/2022 Declarations of Interest		
There were no further declarations of interest in addition to those already declared on the Declarations of Interest Register.		
ACGC 9/2022 External Audit		
ACGC 9.1/2022 External Audit Progress Report		
<p>The Committee received the following reports:</p> <ul style="list-style-type: none"> • Audit Wales Progress Update (ref 3.1a ACGC_2022_03_16), • 'Taking Care of the Carers?' Report (ref. 3.1b ACGC_2022_03_16) • Annual Audit Report Public Health Wales 2021 (ref 3.1c ACGC_2022_03_16). <p>VW advised the Committee that going forward the Committee would receive a written progress report.</p> <p>VW noted that the 'Taking Care of the Carers?' report and the management response had been discussed at the People and Organisational Development Committee and was presented at this Committee as an item for assurance.</p> <p>Following a query from the Committee, HB explained that the Audit and Corporate Governance Committee retained oversight of the Audit process, included taking assurances on the implementation of all recommendations made by audit during their review and that the management actions in response to these recommendations were completed. Where the subject matter of a report fell within the remit of one of the Board Committees, the report was also submitted to that Committee, to receive the report and to consider the recommendations made in the context of its work plan and the areas of focus within its remit.</p> <p>The Committee noted and accepted the reports submitted.</p>		

ACGC 10/2022 Internal Audit**ACGC 10.1/2022 Internal Audit Progress Update and Internal Audit Reports**

The Committee received the following Internal Audit Final Reports (ref 4 ACGC 2022_03_16):

- Internal Audit Progress Report;
- Internal Audit Final Report IP5 Lab;
- Concerns and Grievances Final Internal Audit Report.

Progress Report

PD provided an update on progress with the Internal Audit Programme.

Internal Audit Final Report IP5 Laboratory

EJ noted this was a review conducted, post hand over of the laboratory, for the delivery of the laboratory during the pandemic. The overall assurance was reasonable, being delivered within budget and to a tight time scale.

The Committee reflected on the report, and discussed the context of the balance of urgency of delivering the IP5 lab at pace. HG explained that the establishment of IP5 and the delivery of this project was unprecedented, with a turnaround within three months from commissioning to delivery.

TC added her thanks to the staff within the organisation who delivered this project, who had been exemplary in delivering at pace and scale.

DE thanked EJ for the report, and he echoed the Committee's thanks to the staff at Public Health Wales for their exemplary work in delivering the project within budget and at pace. The Committee **accepted** the report.

Concerns and Grievances Final Internal Audit Report

LJ advised the Committee that the report was of overall reasonable assurance, with five medium priority recommendations.

The Committee asked for clarification regarding how the recording of concerns and grievances were reported to the Board. HB confirmed the management response was to report to the People and Organisational Development Committee on a regular basis.

RBW noted the overlaps between the Putting Things Right Policy and the Grievance Policy, and suggested this would benefit from being linked together on an all Wales basis.

The Committee **accepted** the report.

ACGC 10.2/2022 Draft Internal Audit Work Plan 2022-23

The Committee received the Draft Internal Audit Work Plan 2022-23, (ref. 4.2 ACGC_2022_03_16)

PD presented the draft Internal Audit Work plan for 2022/23, and advised the Committee that the plan had been developed with input from all Executives. He emphasised that the plan would remain flexible in year as required.

JW asked whether any joint auditing took place where work areas overlapped with other Organisations. PD noted that each Organisation was audited separately. VW advised that it was within the remit of Audit Wales to audit across different organisations where appropriate.

The Committee **approved** the Internal Audit Work Plan for 2022-2023.

ACGC 10.3/2022	Audit Action Log (External and Internal Audit)
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The Committee received the Audit Action Log (ref. 4.2 a and b ACGC_2022_03_16).

The Committee queried the timescale for the action relating to the Risk Reporting Structure within the Health and Well-being Directorate. TC explained this work was on-hold pending the completion of the current merger of the Health and Wellbeing and the WHO CC Directorates.

The Committee:

- **Considered** the amendments to the Audit Action Log;
- **Approved** the request for revised implementation dates in Section 3.1 of the report;
- **Approved** the completion of the actions detailed in Section 3.2 of the report, and agreed to their closure.

ACGC 11/2022	Finance and Procurement
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ACGC 11.1/2022	Finance Performance Report
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The Committee received a verbal update from HG on the current financial position, focusing on the completion of the end of year closure of the accounts.

The Committee **noted** that a Financial Report would be submitted to the Board at its meeting at the end of the month.

ACGC 11.2/2022	Procurement Report
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The Committee received the Procurement Report paper (ref 5.2 ACGC_2022_03_16).

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

ACGC 11.3/2022	Losses and Special Payments
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The Committee received the update on the losses and Special Payments (ref 5.3 ACGC_2022_03_16), which included a specific update on the approvals of losses due to consumable testing stock.

HG summarised the background to each of the two issues described in the paper. Each fell within the definition of losses for Public Health Wales and were subject to the provisions of the Losses and Special Payments Chapter of the Manual for Accounts; this also reflected the requirements as set out in the Standing Financial Instructions. The value of loss exceeded Public Health Wales' delegated limits and Welsh Government had approved a write-off request. HG informed the Committee that the approval of the Board would be sought following discussion at this Committee.

HG explained the position regarding out of date Covid consumable testing stock. The manufacturer worked throughout the pandemic with the Organisation which enabled the expiry date to be extended following testing to maximise the stock in hand. This was only possible because of the cooperation of the Manufacturer and their use of relatively new technology.

An issue arose in England which had a knock-on effect in Wales and led to the suspension of the testing equipment for a number of days. The suspension coupled with the falling levels of stock being used resulted in stock being left within the Organisation which had passed its expiry date which the Organisation wrote to Welsh Government and submitted the write off form included in the papers for the meeting.

TC explained how a Welsh Government policy change to utilise the Lighthouse laboratories meant that consumables usage declined leaving the stock with a short shelf life. The subsequent promotion of the use of lateral flow tests at home has resulted in the number of PCR tests being performed at laboratories declining further.

HG went on to provide a verbal update in relation to the Ortho Clinical Diagnostic tests stock write off.

DE asked the Committee to consider the unique nature of this event and an extensive discussion followed including:

- Ensuring that all possible avenues were explored for possible use of the stock.
- Discussions with the manufacturer would ensure safe and proper disposal.
- The need to ensure an appropriate communication plan for the matter.
- Legal advice had been sought to confirm the appropriate process to resolve this matter.

The Committee **agreed to support** the proposals presented by HG, noting that the Board would receive a report at its meeting on 31 March 2022.

ACGC 12/2022	Hosted Bodies Annual Assurance
ACGC 12.1/2022	NHS Wales Health Collaborative - Annual Assurance Statement
<p>The Committee received the NHS Wales Health Collaborative – Annual Assurance Statement 2022-23 (ref. 6.1 ACGC_2022_03_16).</p> <p>KEv presented the report to the Committee. She noted that the NHS Wales Health Collaborative was hosted by Public Health Wales on behalf of NHS Wales under a formal Hosting Agreement. The NHS Collaborative was required to provide an Annual Assurance Statement to Public Health Wales to confirm that they have complied with the hosting arrangements, highlighting any areas of concern, risk or non-compliance.</p> <p>KEv highlighted an underspend within the report, and noted that this had resulted from increased funding for a number of projects which had slipped due to the effects of the Covid pandemic.</p> <p>Following a query regarding how the Collaborative was audited, it was confirmed that audit scrutiny resided with the hosting body, however, Audit Wales could scrutinise the Collaborative under the remit from the Welsh Government to scrutinise all public bodies in Wales.</p> <p>The Committee took assurance that the NHS Wales Health Collaborative had complied with the hosting arrangements as stipulated in the hosting agreement.</p>	
ACGC 13/2022	Annual Governance Compliance
ACGC 13.1/2022	Compliance with Corporate Governance Code
<p>The Committee considered a report outlining the organisational self-assessment against its compliance with Corporate Governance Code Compliance with Code of Governance (ref 7.1 ACGC.2022.03.16).</p> <p>The Committee took assurance on Public Health Wales’ compliance with Corporate Governance in Central Governance Departments: Code of Practice 2017.</p>	
ACGC 13.2/2022	Declaration of Interests - Bi Annual Update
<p>The Committee received the Declaration of Interests - Bi Annual Update papers (ref 7.2a ACGC.2022.03.16).</p> <p>The Committee took assurance on the implementation of the Declarations of Interest, Gifts, Hospitality and Sponsorship Policy and the Declarations of Interest, Gifts, Hospitality and Sponsorship Procedure.</p>	

ACGC 13.3/2022 Draft Annual Governance Statement

LB provided a brief verbal update on the progress with the development of the Annual Governance Statement, and confirmed the process for approval of the draft for submission to Audit Wales in May.

LB confirmed that there was no requirement for an Annual Quality Statement or Sustainability Report within the Annual Report this year.

The Committee **noted** the update.

ACGC 14/2022 Managing Risk (Strategic and Corporate)

The Committee **received** the Strategic Risk Register Risk and Corporate Risk Register (ref 8 ACGC.2022.03.16).

RBW advised the Committee that a review to risk processes was currently underway in the Organisation, and noted the risk development plan that was in place.

The Committee **considered** the Strategic and Corporate Risk Registers and took **assurance** that the organisation's Strategic and Corporate risks were being managed appropriately.

ACGC 15/2022 Information Governance Quarterly Report

The Committee **received** the Information Governance Quarterly Report (ref 9 ACGC.2022.03.16).

JL highlighted the following:

- The volume of Freedom of Information (FOI) requests and subject access requests has remained high levels.
- The Public Inquiry could potentially increase the FOI requests further.
- There had been three reportable data breaches to the Information Commissioner during this period. The Information Commissioner's Office has confirmed that in regard to two of the incidents no further action was required and a decision was awaited on the third incident.

The Committee raised concerns as to the potential impact of the Public Inquiry on the numbers of FOI requests, and asked that this be highlighted with the Business Executive team.

Action: RBW

The Committee raised concerns about statutory and mandatory Information Governance training compliance levels. HB advised that the current figures showed slight improvement, the figures relating to the Corporate team related to a relatively small number of individuals and as such the percentage should be viewed in that context. The Committee suggested that the actual figures be included in future to clarify this.

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The Committee took assurance that the Information Governance Management System was working effectively.	
ACGC 16/2022 Cyber Security Update	
<p>The Committee received and considered the Cyber Security Update (ref. 10 ACGC_2022_03_16).</p> <p>HG informed the Committee that Digital Health Care Wales (DHCW) were currently undertaking a review of cyber security arrangements of all NHS Bodies in Wales. Following the completion of this review, a deep dive would be considered by the Committee, including any management actions identified.</p> <p>Action: HG/LB</p> <p>The Committee noted the update provided.</p>	
ACGC 17/2022 Committee Governance	
ACGC 17.1/2022 Minutes, Action Log and Matters Arising	
<p>The Committee received the minutes and action log of the meeting held on 20 January 2022 (ref 11.1a and b ACGC_2022_03_16).</p> <p>The minutes were approved as a true and accurate record of the meeting, subject to the following amendment:</p> <p><i>"VW noted the positive report, with no recommendations relating to Operational Planning, one minor recommendation relating to Corporate Governance and Financial Management, which had been addressed by Public Health Wales."</i></p> <p>The Committee considered the action log and agreed to the closure of two actions.</p>	
ACGC 17.2/2022 Ratification of Reports Circulated Outside Committee	
<p>LB presented the report, noting that four report had been circulated out of Committee on 11 February 2022. The reports were</p> <ul style="list-style-type: none"> • Audit Report 2021; • Audit Action Log; • Internal Audit IP5 report • Welsh Health Circulars Bi-Annual Update. <p>The Committee:</p> <ul style="list-style-type: none"> • Ratified the receipt reports that have been circulated to the Committee outside of the usual meeting process; • Confirmed that no further action was required 	
ACGC 17.3/2022 Committee Workplan and Forward Look	

The Committee **noted** the workplan and forward look for 2022/23 (ref 11.3 ACGC 2022_03_16).

ACGC 18/2022 Items to Note

ACGC 18.1/2022 Integrated Governance Update

The Committee **noted** the Integrated Governance Update Report (ref 12.1 ACGC 2022_03_16).

ACGC 18.2/2022 Counter Fraud Progress Report

The Committee **noted** the Counter Fraud Progress Report (ref 12.2 ACGC 2022_03_16).

ACGC 19/2022 Closing Administration

The next meeting will be held on Thursday, 5 May 2022, 09:30, Room 3.7 Public Health Wales, Capital Quarter and via Microsoft Teams

The Committee **noted** that all Committee papers would be published, with the **exception** of:

- Losses and Special Payments
- Procurement Report
- Cyber Security
- Strategic Risk

DE thanked everyone for their contributions during the meeting, attendees were asked to provide feedback as to the effective running of the meeting.

DE invited any further feedback to be sent via email to himself or to Liz Blayney after the meeting.

The Meeting concluded at 12:25