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**Confirmed Minutes of the Public Health Wales
Audit and Corporate Governance Committee Meeting
20 January 2022 at 14:00 via Microsoft Teams**

Present		
Dyfed Edwards	(DE)	Committee Chair and Non-Executive Director
Diane Crone	(DC)	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
John Boulton	(JB)	Chief Risk Officer and Head of Information Governance
Helen Bushell	(HB)	Board Secretary and Head of Board Business Unit
Paul Dalton	(PD)	Head of Internal Audit, Audit and Assurance Services, NHS Wales Shared Services Partnership
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
Ramim Khan	(RK)	Audit Wales
Neil Lewis	(NL)	Director of People and Organisational Development (for item 3.1 only)
Jane Matthews	(JW)	Head of Financial Reporting and Control, Finance
Nigel Price	(NP)	Counter Fraud Manager (for item 3.4 only)
Verity Winn	(VW)	Audit Wales

Secretariat		
Andrew Morton	(AM)	Board Support Officer
Apologies:		
Tracey Cooper	(TC)	Chief Executive
Andrew Cottom	(AC)	Independent Advisor
Jan Williams	(JW)	Chair
The meeting commenced at 14:00		
ACGC 1/2022 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 March 2022.</p> <p>Apologies for absence were noted.</p>		
ACGC 2/2022 Declarations of Interest		
There were no other declarations of interest in addition to those already declared on the Declarations of Interest Register.		
ACGC 3/2022 Items for Assurance		
ACGC 3.1/2022 External Audit		
ACGC 3.1.1/2022 Audit Wales – Audit Reports		
<p>The Committee received the two Structured Assessment 2021 papers and the Annual Audit Report (ref 3.1.1a, b and c ACGC 20012022). VW noted the positive report, with no recommendations relating to Operational Planning, one minor recommendation relating to Corporate Governance which had been addressed by Public Health Wales.</p> <p>VW noted that a report on Quality Governance Arrangements was being finalised and would be reported to this Committee, and the Quality Safety and Improvement Committee.</p> <p>HB informed the Committee that the full Annual Audit Report paper had not been included on the agenda in error. It was agreed that the Annual Audit Report would be circulated and following the meeting, and formally ratified at the next meeting.</p> <p>The Committee queried the implementation of the action identified, which related to ensuring a system was in place to monitor the implementation of External Audit recommendations. VW confirmed that Audit Wales was satisfied that the recommendation had been addressed, and that the actions would be included within the Audit the tracker system used by the Board Business Unit.</p>		

DC commended the team at Public Health Wales for this positive report, particularly given the context of the pandemic and the challenges within the last 12 months.

ACGC 3.1.2/2022 **Audit Wales – Progress Report**

The report noted the recommendations from the 2020-21 Accounts and Financial Statement Report. HG advised the Committee that all the recommendations within the report had been signed off by management and were in the process of being implemented and thanked the Team at Audit Wales for their continued work with Public Health Wales.

The Committee **accepted** the recommendations contained within the report.

ACGC 3.2/2022 **Internal Audit Reports**

ACGC 3.2.1/2022 **Internal Audit Progress and Reports**

The Committee received the following Internal Audit Final Reports (ref 3.2.1, a, b c and d ACGC 20012022):

- Internal Audit Progress Report
- Recruitment Internal Audit Final Report ;
- Screening Reactivation Internal Audit Final Report;
- Data Breach Internal Audit Final Report;
- Additional Hours and Overtime Follow Up Internal Audit Final Report.

Progress Report

PD provided an update to the Committee on the progress with the Internal Audit Work Plan for 2021/22:

- An audit was to be added to the plan concerning microbiology stock, which was currently being scoped.
- The Population Health Review and the Development of Consultants had been postponed to be undertaken in 2022/23.
- The Internal Audit Work Programme was currently being drafted, following discussions with the Executive Team.

Microbiology Stock Audit was scheduled to coincide with year-end reconciliation. HG noted that last year there had been high levels of stock due to the pandemic and this audit was intended to provide assurance concerning stock holdings and validate the materiality of levels of stock.

Following a request for further clarification on the rationale for the changes to the work plan from the Committee, PD confirmed that the Population Health Review was delayed due to mobilisation of staff into the Health Protection Response as a result of the pandemic.

PD noted that the Internal Audit Work Plan was flexible and adapted throughout the year, to ensure appropriate coverage overall to support the end of year Head of Internal Audit Opinion.

The Committee **accepted** the Progress Report.
LJ summarised each Internal Audit Final Report:

Recruitment

The Recruitment Internal Audit Final report had received a substantial assurance. The report contained one low priority recommendation. The Committee **accepted** the Recruitment Internal Audit Final report.

Screening Reactivation

The Screening Reactivation Internal Audit Final report received a substantial assurance. The report contained one medium priority recommendation. The Committee **accepted** the Screening Reactivation Internal Audit Final report.

Data Breach

The Data Breach Internal Audit Final report had received a substantial assurance. The report contained one medium priority recommendation. Public Health Wales was reviewing systems with reference to a baseline established by Information Governance. One medium finding was highlighted relating to the reporting arrangements to the Committee on the data breach. The Committee **accepted** the Data Breach Internal Audit Final report.

The Committee queried the recommendation relating to the review of the Data Breach report. The report had been reported to Board when it was first issued, and regular reports to the Business Executive Team for oversight of the implementation of the action plan. The action related to the more timely consideration of progress by the Committee.

Additional Hours and Overtime

The Additional Hours and Overtime Follow up Internal Audit Final report had received a reasonable assurance. The report contained three medium priority, and one low priority recommendations. This report was a follow up report to a limited assurance report in 2021, this follow up review had received a reasonable assurance rating, and all the high level recommendations had been addressed, and two further recommendations had been made in the follow up report.

The Committee acknowledged the work undertaken to address the recommendations made in the original report, to achieve the reasonable assurance rating in the follow up report. The Committee **accepted** the Additional Hours and Overtime Internal Audit Follow Up Final report.

ACGC 3.2.2/2022

Approach to Internal Audit Work Plan 2022-23

The Committee received a verbal update on the development of the Internal Audit Work Plan 2022-23, which was being drafted in consultation with the Executive Team and would be presented to the Committee for approval at the next meeting.

ACGC 3.3/2022**Additional Hours and Overtime Payments
Action Plan Update**

The Committee received the Additional Hours and Overtime Payments Action Plan Update (ref 3.3a, b and c ACGC 20012022).

NL outlined the People and Organisational Development Directorate's work to respond to the initial Internal Audit Report's findings, which were outlined in the update report: all actions had been addressed with the exception of the enhancement rates Standard Operating Procedure, and with the opting out of the Working Time Directive.

The Committee discussed:

- What the mechanism for assurance that this is being monitoring adherence to the working time directive. NL explained that as part of the automated form there were additional prompts to the individual reminding of the need to complete the necessary form. There were also additional prompts to line manager. He explained that this was being monitored on a monthly basis to the Business Executive Team to ensure that it was addressed.
- Following a query from the Committee, LB explained that the actions highlighted on the report would be captured on the Audit Action Log, and the implementation of the actions monitored through the update reports to Committee. She also confirmed that where subject of an Internal Audit report was within the remit of another Committee, it was reported to that Committee for reference.

DE thanked NL and his team for the considerable work undertaken to receive the assurance in the report.

The Committee **took assurance** that the recommendations of the original internal Audit report, and a subsequent follow up review of the audit response, carried out between 18 November and 16 December 2021, have been suitably addressed.

ACGC 3.4/2022**Counter Fraud Report**

The Committee received the Counter Fraud Report (ref 3.4 ACGC 20012022).

NP informed the Committee of recent staffing changes within the Counter Fraud Unit and expected a newly appointed manager to be in place by the start of the new financial year.

DE asked whether consideration had been given to counter fraud training being be mandatory training for Public Health Wales staff. HG noted that this matter was under consideration as to the most effective approach to the Counter Fraud training. NP informed the Committee that three Welsh Health

Boards currently undertook counter fraud training as part of their induction process for new starters.

The Committee noted Counter Fraud team's completion of the National Fraud Initiative exercise for Public Health Wales.

The Committee **accepted** the Counter Fraud report.

ACGC 3.5/2022**Break****ACGC 3.6/2022****Losses and Special Payments**

The Committee received the Losses and Special Payments Report (ref 3.6 ACGC 20012022).

The Committee **took assurance** that losses and special payments were being undertaken in line with Standing Financial Institutions.

ACGC 3.7/2022**Procurement Report**

The Committee received the Procurement Report paper (ref 3.7 ACGC 20012022).

JM noted that the tables at paragraph 3.1 of the report included reference where file notes had been included to the single quotation actions (SQA) and single tender actions (STA) to highlight the transactions that were being completed outside of the usual procurement process.

The Committee noted the additional information regarding the file notes, and asked how the organisation was ensuring the any risk was being mitigated regarding the use of single tender actions. JM advised the Committee that the significant increase of STAs and SQAs was due to the Covid pandemic and that this was expected to decrease. HG added that during the pandemic, particularly relating to platforms for testing, that there was often only one supplier able to provide a service / product. The finance team had ensured a review of the underlying reasons for the STAs, which were usually was due to the purchases being urgent and the need to ensure service continuity.

In response to a question regarding the publication of this report, HB advised the Committee that this Procurement report to the Committee was not published due to commercial sensitivities.

DE suggested that an area for improvement would be reviewing the process of tendering, this would then reduce the numbers of SQA and STA needing retrospective approval.

AF advised the Committee that she and Helen James (Head of Procurement) were in the process of reviewing the procurement work planning for 2022 – 2023, and to allow more time to scope specifications and to plan frameworks and for multi quoting.

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

ACGC 3.8/2022	Finance Performance Report
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The Committee received a verbal update from HG. The Month nine report has been submitted to Welsh Government, it reported a break even position for Public Health Wales. The allocation for 2022-23 had not yet been given to Public Health Wales at this stage, the Capital allocation had been received late the previous day showing a reduction of 24%.

The Committee noted that a Financial update would be provided to Board the following week, and **noted** the verbal update at this time.

ACGC 3.9/2022	Information Governance Quarterly Report
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The Committee received the Information Governance Quarterly Report (ref 3.9a and b ACGC 20012022).

The Committee noted the increase in Freedom of Information requests, which had been consistently increasing for a number of quarters; the volume of requests was resource intensive for the team to complete. JL advised signposting to publically available information was undertaken where possible with the requests. RBW advised the requests were prioritised which had impacted on the progress with improvement work.

HB asked the Committee to note that the Statutory and Mandatory compliance figures quoted for Corporate were below the target of 87%, the figure had increased recently to 82% and work was ongoing to improve this further.

LB advised the Committee since the last meeting of the Committee, the Board had approved a revised terms of reference for the Committee. During the suspension of the Knowledge, Research and Information Committee, the Audit and Corporate Governance Committee had oversight of Information Governance and Cyber Security. It had been agreed that these areas would remain under the remit of the Audit and Corporate Committee permanently.

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

ACGC 3.10/20012022	Data Breach Update
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The Committee received the Data Breach Update papers ref 3.10a, and b ACGC 20012022).

The Committee discussed:

- The initial remedial actions taken to address the breach, and the process of establishing the action plan.

- The Peer Review had been delayed as a result of pandemic pressures and the work that was ongoing to support the commencement of this review;
- Additional capacity had been sourced to resource concerns to support the Information Governance team.

The Committee **considered** the update to the action plan and the progress.

ACGC 4/2022 Items for Approval

ACGC 4.1/2022 Minutes, Action Log and Matters Arising

The Committee received the minutes and action log of the last meeting 15 September 2021 (4.1a, b and c ACGC 20012022).

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

The Committee considered the action log and **agreed** to the closure of three actions points.

ACGC 4.2/2022 Review of Potential Debt Write Offs

The Committee **received** the Debtor Write-Off Report Paper (ref. 4.2 ACGC 20012022).

The Committee **approved** the writing-off of bad debts and claims abandoned included in the paper in accordance with the requirements of the Standing Financial Instructions.

ACGC 4.3/2022 Public Health Wales Strategic and Corporate Risk Registers

The Committee **received** the Strategic and Corporate Risk Registers Paper (ref. 4.3a, b and c ACGC 20012022). JL noted that the report was in a new format and now included a Delivery Confidence Assessment, and a Risk Owners Control Assessment.

RBW noted that a Risk Development Plan was in development ,which was due to be presented to the Business Executive Team in February.

The Committee discussed the registers, and the focus on the pandemic within the Strategic Risks, which would need to be reviewed as this focus changed within the organisation.

The Committee **approved** the requested changes of date to Risks 1 and 3 in the Strategic Risk Register, and took **assurance** that the Strategic and Corporate Risks were being managed appropriately.

ACGC 5/2022 Items to Note

ACGC 5.1/2022 Annual Accounts Plan 2021/22

The Committee **noted** the Annual Accounts Plan 2021/22 (ref. 5.1 ACGC 20012022).

ACGC 5.2/2022 Workplan and Forward Look

The Committee **received** the Workplan and Forward Look (ref. 5.2 ACGC 20012022). The Committee **noted** the workplan and the papers listed to be circulated out of Committee.

ACGC 6/2021 Closing Administration

ACGC 6.1/2020 Date of next meeting

Wednesday, 16 March 2022, 09:30, Room 3.7 Public Health Wales, Capital Quarter and via Microsoft Teams

ACGC 6.2/2020 Publication of Papers

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

- 3.6 Losses and Special Payments
- 3.7 Procurement Report
- 3.10a, b Data Breach papers
- 4.2 Debt Write-off paper
- 4.3 a, b, c Risk papers

ACGC 6.3/2020 Committee Feedback

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

VW commented that the deep dives at previous meetings were valuable to enable the Committee to explore areas in more detail. DE agreed, noting the intention for this time to be included on agendas where possible in the future, allowing for the necessary compliance and assurance reports.

HB reminded the Committee that the Committee Annual Performance Review was currently underway and a survey had been circulated to Committee members and attendees.

DE invited any further feedback via email after the meeting.

The Meeting concluded at 16:26