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**Unconfirmed Minutes of the Public Health Wales
Audit and Corporate Governance Committee Meeting
18 March 2021, 13:00
Capital Quarter – meeting conducted via Microsoft Teams**

Present:		
Dyfed Edwards	(DE)	Committee Chair and Non-Executive Director
Diane Crone	(DC)	Non-Executive Director (University)
Mohammed Mehmet	(MM)	Non-Executive Director (Local Authority) and Chair of the People and Organisational Development Committee (left at 2pm)
In Attendance:		
Liz Blayney	(LB)	Deputy Board Secretary and Board Governance Manager
Helen Bushell	(HB)	Board Secretary and Head of Board Business Unit
Paul Dalton	(PD)	Head of Internal Audit, NHS Wales Shared Services Partnership – Audit and Assurance Services
Angela Fisher	(AF)	Deputy Director Finance
Jason Garcia	(JG)	Audit Wales
Huw George	(HG)	Deputy Chief Executive and Executive Director of Finance and Operations
Lucy Jugessur	(LJ)	Audit Manager, NHS Wales Shared Services Partnership – Audit and Assurance Services
Ramin Khan	(RK)	Audit Wales
Jane Matthews	(JM)	Head of Financial Reporting and Control
Nigel Price	(NP)	Counter Fraud
Kevin Seward	(KS)	NHS Wales Shared Services Partnership – Audit and Assurance Services (left at 13:40)
Rob Tovey	(RT)	NHS Collaborative
Verity Winn	(VW)	Audit Wales
Stephanie Wilkins	(SW)	Representative from Staff Partnership Forum (arrived at 2pm)
Apologies:		
Alison Ward	(AW)	Non-Executive Director
Craig Greenstock	(CG)	Counter Fraud Manager
Andrew Cottom	(AC)	Independent Advisor

ACGC 127/2021 Welcome and Apologies for Absence

DE opened the meeting welcoming all present, noting that due to the ongoing response to 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.

The Chair informed that following discussion with colleagues, the meeting agenda had been revised to enable the Committee to focus on priority areas, and that a number of items had been moved to the note section of the agenda. DE referred to an email that had been circulated to Committee members advising of this in advance, with the opportunity for the Committee to make comment on any of these papers.

Apologies for absence were **noted**.

ACGC 128/2021 Declarations of Interest

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

ACGC 129/2021 Items for Assurance**129.1/2021 External Audit**

VW provided a verbal update to the Committee about relevant Audit activity, including:

- The Operation and Planning section of the 2021 Structured Assessment report had been completed. The other two sections were to be completed separately this year; work was ongoing to finalise the planning for these. The initial feedback was that it was a broadly positive report.
- The Audit Wales (all Wales) Test, Trace, Protect (TTP) report had been published, which noted that the national programme had successfully brought together different parts of the Welsh public sector, and other agencies, to rapidly build a system of testing and contact tracing largely from scratch and on an unprecedented scale. The report highlighted a number of key challenges and opportunities as the TTP continued throughout 2021.

The report would be circulated to the Committee for information.

Action: LB

The Chair thanked VW for the update.

129.2/2021 Internal Audit**129.2.1/2021 Internal Audit Progress Report**

The Committee **received** the Internal Audit Progress Report (ref 3.2.1 ACGC.180321).

PD highlighted the following:

- The Welsh Risk Pool internal Audit report had now been finalised, and was on the Committee's agenda today (refer 129.2.2/2021 of these minutes);
- The Collaborative Review Management and Governance Arrangements was an advisory report; this was being finalised.

The Chair thanked PD for the update provided.

129.2.2/2021 Internal Audit Reports

The Committee **received** the Welsh Risk Pool internal audit final report (Ref 3.3.2a ACGC.180321), which had received a substantial assurance rating, with no recommendations for improvements.

The Committee **received** the Data Quality and Integrity within performance report internal Audit final report (Ref 3.3.2b ACGC.180321), which had received a substantial assurance rating, with two low priority recommendations.

The Committee **received** the financial systems internal Audit final report (Ref 3.3.2c ACGC.180321), which had received a substantial assurance rating with two medium and two low priority recommendations. AG noted that one of the medium recommendations would be closed today, subject to the Committee approving the Fixed Asset Financial Control Procedure (refer 131.5/2021 of these minutes).

The Committee **received** the Processing information under Section 251 of the National Health Service Act 2006 internal Audit final report (Ref 3.3.2d ACGC.180321), which had received a substantial assurance rating with one medium priority recommendation.

The Committee expressed its thanks to the Internal Audit Team, and to the teams at Public Health Wales involved with these Audits, commending the organisation for the four substantial assurance reports received in a range of areas and teams across the organisation.

DE noted the importance of improvement and learning from each review, to continue to progress as an organisation.

129.3/2021 Counter Fraud Progress Report

The Committee **received** the Counter Fraud Progress Report (Ref 3.3 ACGC.180321). NP highlighted the following:

- A proactive exercise undertaken to review employment information to identify any correlations with other employers;
- Fraud awareness sessions were ongoing, and an online awareness session had been developed; there were a number of bookings for this session from a wide range of teams within Public Health Wales. It was also noted that this training was tailored to the specific organisations requirements.

- There was a shortfall in days this year (65 completed against 100 planned). Recent activity suggests that referrals were now beginning to increase to a pre COVID level.

MM sought further reassurance that there had not been an increase in risk created through the organisational focus on COVID. NP reassured the Committee that to his knowledge there was no increased risk to report; there had been increased concern at an All-Wales level, which was being managed, for procurement fraud relating to products invoiced verses the products provided but this had not prevailed within Public Health Wales.

The Committee **noted** the report and took **assurance** on the counter fraud arrangements in place.

129.4/2021 Finance Performance Report

AF provided the Committee with a demonstration of the finance elements of the Performance Assurance Dashboard.

HG noted that a full financial report was being provided at the Board meeting on 25 March 2021, as it had been to the last Board meeting on the 25 February 2021. HG noted that work on the year end position was on track, and the organisation were on schedule to achieve a break even position.

The Committee **noted** the update provided, and that a full report would be provided to the Board next week.

129.5/2021 Losses and Special

The Committee received the Losses and Special Payments report (Ref 3.5 ACGC.180321).

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

129.6/2021 Procurement Report

The Committee **received** the Losses and Special Payments report (Ref 3.6 ACGC.180321).

The Committee took **assurance** that procurement activity was undertaken in line with the requirements of the Standing Financial Instructions (SFIs).

129.7/2021 NHS Wales Health Collaborative: Annual Assurance Statement

The Committee **received** the NHS Wales Health Collaborative: Annual Assurance Statement (ref 3.8 ACGC.180321).

The Committee **took assurance** from the report that the collaborative have complied with the hosting arrangements.

129.7/2021 Compliance with Corporate Governance Code

The Committee **received** the Compliance with Corporate Governance Code report (Ref 3.9 ACGC.180321), noting that the self-assessment indicated compliance with each of the principles within the code.

The Committee **took assurance** on compliance with Corporate Governance in Central Governance Departments: Code of Practice 2017.

ACGC 130/2021 Items for Recommendation to the Board

130.1/2021 Annual Review of Standing Orders

The Committee **received** the review of Standing Orders (Ref 4.1 ACGC180321). HB noted that this was an interim review to adjust the temporary variations to Standing Orders made in March 2020, which were due to expire on 31 March 2021.

The Committee:

- **Noted** that a further review will take place in line with the Welsh Government review of Model Standing Orders, expected in the first half of 2021/22;
- **Recommended** the proposed changes to the Board for approval.

123.2/2021 Committee Annual Report

LB provided the Committee with a draft Annual report for 2020/21 (Ref 4.2 ACGC.180321), summarising the activity of the Committee this year. The purpose of this report was to provide assurance to the Board on the effectiveness of the Committee in exercising its role and remit.

The report would be finalised to include items from today's meeting, the final wording for which would be approved by the Chair for submission to the Board.

The Committee **approved** the content as an accurate summary of the work undertaken, and **agreed** for the Chair to approve the final document prior to submission to Board in May 2021.

ACGC 131/2021 Items for Approval

ACGC 131.1/2021 Minutes, Action Log and matters arising from the previous meeting (19 January 2021 2020)

The Committee **approved** the Minutes (ref 5.1 ACGC.180321) and **noted** the updates to the action log.

131.2/2021 External Audit Work Plan 2021/22

VW presented the report for approval (ref 5.2 ACGC.180321) summarising the planned audit activity within the 2021/22 year.

VW highlighted that fees to the organisation from Audit Wales (AW) for financial audit work had increased slightly from previous years.

JG made the following comments:

- AW fees were, as always, an estimate: Audit Wales was not allowed to make profit, only to recover costs, therefore if the Audits were delivered for less cost, it would be required to refund the body of any excess.
- The context of 2019/20 had required Audit Wales to develop new ways of working; this had been successful, however it had meant that the work was taking slightly longer to complete, which had increased the cost.
- The work for Public Health Wales on 2019/20 had been in excess of the estimate: The Auditor General had taken the position that there was no fault of this increased cost to the organisation;
- The impact of COVID-19 had significantly increased transaction levels for Public Health Wales; expenditure had increased as had transactions; and an increased level of stock was now held. The cumulative impact of this was there was a need to increase the audit work to cover this increased breadth to provide an accurate audit opinion.

DE thanked VW and JG for the update, noting the need to balance the important audit work with the risk level of the organisation. JG acknowledged this, and outlined the risk level was taken into account when determining the level of sample selections.

HG noted that the increase in fees was large in percentage terms. HG questioned the reflection of improvement culture and reduced risk as an organisation, considering the positive findings within the Structured Assessments and other external audit work for a number of years. He suggested that this demonstrated that as an organisation, Public Health was low risk, but it was not clear how this had been reflected in the Audit Plan.

The Committee accepted the position and the reasons outlined for the increase in costings for 2021/22. It was noted that this was an estimate, and that work would be ongoing with the colleagues in Audit Wales to keep costs to a minimum throughout the year.

The Committee **approved** the External Audit Work Plan for 2021/22.

131.3/2021 Internal Audit Work Plan 2021/22

The Committee received the Internal Audit Work Plan 2021/22 (Ref 5.3 ACGC.180321). PD emphasised that the plan would remain flexible and be adapted as needed. The Welsh Government had indicated that the usual volume of mandatory reports were not required this year; however most had been included in the work plan as it had been agreed with the organisation that it would be best practise to include these.

The Committee **approved** the Internal Audit Work Plan for 2021/22.

131.4/2021 Counter Fraud Work Plan 2021/22

The Committee received the Counter Fraud Work Plan 2021/22 (Ref 5.4 ACGC.180321). NP noted the format had been revised in line with national template, but the content was on the same basis as it had been in previous years.

DC asked whether the allocated days would be sufficient should there be an increase in the number of referrals. NP assured the Committee that the allocation would be sufficient for the expected levels, and should this increase and there was a need to increase the hours, this would be brought to the Committee for approval.

The Committee **approved** the Counter Fraud Work Plan for 2021/22.

131.5/2021 Strategic Risk Register – Risk 4

The Committee received the Strategic Risk Register update (Ref 5.5 ACGC.180321), outlining the progress updates on the actions within the Strategic Risk Register within the remit of the Audit and Corporate Governance Committee (Risk 4).

The Committee:

- **approved** the closure of the actions outlined in table 2 of the report;
- **approved** the changes to deadlines outlined in table 1 of the report.

131.5/2021 Fixed Asset Financial Control Procedure

The Committee received the Fixed Asset Financial Control Procedure (Ref 5.6 ACGC.180321).

The Committee **approved** the Fixed Asset Financial Control Procedure.

ACGC 132 /2021 Items For Discussion**132.1/2021 Annual Review of Committee Effectiveness and Annual Work Programme**

LB provided a presentation to the Committee summarising the outcome of a recent online survey undertaken of Committee members and attendees of the Audit and Corporate Governance Committee. The scope of the survey was to seek feedback from the group on the key areas of the Committees remit, the quality of reporting and any areas of improvement.

In summary, the feedback received was as follows:

- The Right Touch governance, and the approach to restructure /refocus the agenda had worked well;
- Deep dives were useful and added value – in particular Cyber Security;
- The Committee Chair encouraged and valued the contributions from all, with an inclusive approach, and there was culture of constructive challenge at meetings;

- The Committee's role in ensuring clinical audit assurances required further clarification, and the cross overs with the Quality, Safety and Improvement needed to be better defined;
- Consideration within the work plan next year to include deep dives in Risk; Counter Fraud, and Financial Efficiency / value for money.
- Areas highlighted for further training and development/support to discharge its responsibilities included risk management and scrutinising financial reports;
- Recognising the pace at which Cyber security changes, there was a need to ensure ongoing monitoring by the Committee.

The Committee **supported** the proposed action within the presentation, and noted that the themes and actions would be reported as part the overall Board Performance and Effectiveness Review at Board in quarter 1 of 2021/22.

ACGC 133/2021 Items to Note

133.1/2021 Quality and Clinical Audit Plan 2020/21

The Committee **noted** the Quality and Clinical Audit Plan 2020/21 (Ref 7.1 ACGC.180321).

133.2/2021 Quality and Governance Self-Assessment

The Committee **noted** the Quality and Governance Self-Assessment (Ref 7.2 ACGC.180321).

133.3/2021 Policy Update

The Committee **noted** the Policy update (Ref 7.3 ACGC.180321).

133.4/2021 Update on Annual Governance Statement

The Committee **noted** the Update on the Annual Governance Statement (Ref 7.4 ACGC.180321).

133.5/2021 Committee Forward Look

The Committee **noted** the Committee Forward Look (Ref 7.5 ACGC.180321).

133.6/2021 Corporate Risk Register

The Committee **noted** that this report would be circulated out of Committee and reported to the following meeting.

133.7/2021 Data Breach Action Plan

The Committee **noted** that this report would be circulated out of Committee and reported to the following meeting.

133.8/2021 Joint Working Framework

The Committee **noted** the update on the Joint Working Framework (Ref 7.8 ACGC.180321).

133.9/2021	Audit Wales Cyber Resilience Report
The Committee noted the confidential Audit Wales Cyber Resilience Report (Ref 8 ACGC.180321).	
ACGC 126/2021	Closing Administration
126.1/2021	Any Other Business
None.	
126.2/2021	Publication of Papers
The Committee approved the publication of the papers with immediate effect, with the exception of the following due to either sensitive data or information being contained within them: <ul style="list-style-type: none"> • Procurement; • Losses and Special payments; • Strategic Risk 4 Cyber Security; • Data Breach action plan (report being separately circulated). 	
126.3/2021	Committee Feedback
The Committee provided positive feedback on the Committee effectiveness survey, and the responsiveness of the actions to address issues raised.	
126.4/2021	Date of next meeting
5 May 2021 at 12:30pm	
The meeting concluded at 15:45pm	