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Iechyd Cyhoeddus
Cymru
Public Health
Wales

Name of Meeting
Audit and Corporate
Governance Committee
Date of Meeting
7 June 2021
Agenda item:
3.2

Accountability Report –

- **Annual Governance Statement 2020/21**
- **Remuneration and Staff Report 2020/21**
- **Welsh Parliament Accountability and Audit Report 2020/21**

Financial Accounts and Audit Wales (refer item 3.1 of the agenda)

The Financial Accounts and Audit Wales Annual Opinion (ISA 260) will be finalised and provided to the Committee prior to the meeting.

Executive lead:

Huw George, Executive Director of Operations and Finance and Deputy Chief Executive
Helen Bushell, Board Secretary and Head of Board Business Unit

Author:

Annual Governance Statement: Liz Blayney, Deputy Board Secretary and Board Governance Manager
Remuneration Report: Lucy Day, Business and Policy Support Manager
Welsh Parliament Accountability and Audit Report – Audit Wales

Approval/Scrutiny route:

Draft Corporate Governance Report , Remuneration and Staff Report approved for submission to Audit Wales and Welsh Government by Audit and Corporate Governance Committee on 7 May 2021

The Chief Executive reviewed and signed off the documents prior to submission to Welsh Government and Audit Wales.

Purpose

Public Health Wales is required to provide an Accountability Report as part of the Annual Report and Accounts for 2020/21. Guidance on how to complete and display this report has been issued by Welsh Government in the Manual for Accounts, and by HM Treasury in the Financial Reporting Manual (FRoM). This report introduces the final reports.

Recommendation:

APPROVE	CONSIDER	RECOMMEND	ADOPT	ASSURANCE
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<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>The Committee is asked to:</p> <ul style="list-style-type: none"> • Recommend the Accountability Report 2020/21 for Board approval. • Recommend the Financial Accounts and the Audit Wales Annual Opinion (ISA 260) to the Board for approval. <i>(refer item 3.1 of the Committee agenda for papers)</i> • Note that once approved by the Board, it will be submitted to Welsh Government on 11 June 2021 				

Link to Public Health Wales [Strategic Plan](#)

Public Health Wales has an agreed strategic plan, which has identified seven strategic priorities and well-being objectives.

This report contributes to the following:

Strategic Priority/Well-being Objective	7 - Building and mobilising knowledge and skills to improve health and well-being across Wales
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Summary impact analysis

Equality and Health Impact Assessment	A formal Equality and Health Impact Assessment is not required on this governance document. The Annual Governance Statement includes an overview of Equality, Diversity and Inclusion for 2020/21
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Risk and Assurance	N/A
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Health and Care Standards	This report supports and/or takes into account the Health and Care Standards for NHS Wales Quality Themes Governance, Leadership and Accountability
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Financial implications	There are no direct financial implications.
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People implications	There are no direct people implications, although the reports contains details pertaining to the Board members.
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1. Purpose / situation

Public Health Wales is required to provide an Accountability Report as part of the Annual Report and Accounts for 2020/21. Guidance on how to complete and display these reports has been issued by Welsh Government Manual for Accounts, and by HM Treasury in the Financial Reporting Manual (FReM).

The Audit and Corporate Governance Committee considered an earlier draft of the Corporate Governance Report and Remuneration and Staff Report at its meeting on 5 May 2021.

Following the meeting, changes were made to the document to reflect the feedback received at the meeting, comments from the Accountable Officer and minor changes following a full proof read. A revised version of this document was submitted to the Welsh Government and the Audit Wales for review. Comments were received from Welsh Government and Audit Wales and have been incorporated into the final draft.

The final drafts are requested to be considered by this Committee, for recommendation to the Board for approval at its meeting on 10 June 2021.

2. Background

1.1 NHS bodies are required to publish, as a single document, a three part Annual Report and Accounts which includes:

- 1) The Performance Report, which must include:
 - An overview
 - A Performance analysis.
- 2) The Accountability Report, which must include:
 - A Corporate Governance Report
 - A Remuneration and Staff Report
 - A Welsh Parliament Accountability and Audit Report.
- 3) The Financial Statements, including the Audited Annual Accounts 2020/21.

The key dates for Public Health Wales are as follows:

5 May 2021	Draft Accountability Report and Financial reports presented to ACGC for comment.
7 May 2021	Draft Accountability Report and Financial submission to Welsh Government and Audit Wales
7 June 2021	ACGC Meeting to receive final reports, auditors opinion and consider if content to recommend the report to the Board for subsequent approval
10 June 2021	Request PHW Board approval of final report

The Accountability Report demonstrates how Public Health Wales meets key accountability requirements to the Welsh Government and is required to have three sections:

The Corporate Governance Report (Annexes 1-4)

This explains the composition and organisation of Public Health Wales' governance structures and how they support the achievement of the entity's objectives.

Remuneration and Staff Report (Annex 5)

This contains information about the remuneration of senior management, fair pay ratios, sickness absence rates.

Welsh Parliament Accountability and Audit Report (Annex 6)

This contains a range of disclosures on the regularity of expenditure, fees and charges, compliance with the cost allocation and charging requirements set out in HM Treasury guidance, material remote contingent liabilities, long-term expenditure trends, and the audit certificate and report.

The Board Secretary and Head of Board Business Unit is responsible for the production of the Corporate Governance Report. This has been supported by consultation with Executive team members. The Remuneration and Staff Report has been produced by the People and Organisational Development Directorate and the Parliamentary Accountability and Audit Report has been produced by the Operations and Finance Directorate.

A revised draft of the Corporate Governance Report and the Remuneration and Staff Report were submitted to Welsh Government on 7 May 2021.

3. Description/Assessment

The Accountability Report is **attached** for the Audit and Corporate Governance Committee to review and recommend for Board approval.

The Manual for Accounts states that the Corporate Governance Report must include the:

- Directors' Report (Annex 1)
- Statement of Accountable Officer's Responsibilities (Annex 2)
- The Annual Governance Statement (Annex 3)

It also states that where information required within the Directors' Report is disclosed elsewhere in the Annual Report and Accounts a cross-reference may be provided. As the majority of the information is contained elsewhere, the Directors' Report is presented in the form of a table.

Following the meeting of Audit and Corporate Governance Committee on 5 May 2021, some changes were made to the document to reflect the feedback received at the meeting. A revised version of this document was submitted to the Welsh Government and the Audit Wales for review. Comments were received from Welsh Government and Audit Wales and have been incorporated into the final draft.

Since the draft version of the Annual Governance Statement was approved for submission to the Welsh Government on 7 May 2021, the document has been updated to reflect feedback from:

Audit Wales	<p>Following the Committee’s consideration of the draft Report at their meeting on 18 May, a number of comments were received from Audit Wales based on this draft. These changes were made and incorporated into the version that was submitted to Audit Wales on 7 May 2021.</p> <p>External auditors reviewed the draft Corporate Governance Report and draft Remuneration and Staff report and provided feedback on 21 May 2021.</p> <p>Details of the comments received are included in the table below.</p>
Internal Audit	<p>The Head of Internal Audit reviewed the document and suggested some minor amendments for clarity which have been incorporated into the version presented to the Committee.</p>
Welsh Government	<p>Welsh Government reviewed the draft Corporate Governance Report and draft Remuneration and Staff report and provided feedback on 21 June 2021. The comments and changes are listed in the table below</p>

3.1 Well-being of Future Generations (Wales) Act 2015

The Accountability Report provides the Board with assurance that the Committee’s work is fulfilling its function and terms of reference, supported by effective governance measures. The Committee’s work covers the Well-being objectives identified above.

This work has been put together following the five ways of working, as defined within the sustainable development principle in the Act, in the following ways:



The content of the Accountability Report includes an overview of the long-term strategy and indicates future planned work to improve the governance of the organisation.



The Accountability Report provides an overview of how key issues relating to the organisation's mission, which includes prevention through improving public health.



This report provides assurance that the organisational governance structure is robust and effective in this role.



Staff across directorates have contributed to the development of both the Accountability Report. An overview of the integrated governance structure in Public Health Wales is also provided in the report.



This report provides a broad overview of the main areas of the organisation's governance for 2020/21, which includes staff and service-user engagement.

4. Recommendation

The Committee is asked to:

- **Recommend** the Accountability Report 2020/21 for Board approval.
- **Recommend** the Financial Accounts and the Audit Wales Annual Opinion (ISA 260) to the Board for approval.
(refer item 3.1 of the Committee agenda for papers)
- Note that once approved by the Board, it will be submitted to Welsh Government on 11 June 2021

List of changes made to the Annual Governance Statement 2020/21

Since the draft document was submitted to Audit Wales and Welsh Government on 7 May, the document have been subject to review and proof reading which has resulted in minor amendments to formatting, and minor amendments for clarification and accuracy. The final version presented to the Committee at this meeting reflects these changes, none are considered material or significant.

Following review by the Accountable Officer, we have also added in a paragraph to the Staff Engagement Section to reflect the Staff Wellbeing survey undertaken in April 2020.

We have added reference to the outcome of the recruitment for the Director and People and Organisational Development, which concluded in April 2021.

The following table provides a summary of the changes that were made following comments from Audit Wales, Internal Audit and Welsh Government on the draft AGS submitted:

Section	Comments received	Conclusion
All	Comments were made to the format, and amendments for clarification and accuracy - this includes comments from Internal Audit.	
Scope of Responsibility	Comment from Audit Wales that further narrative required as to the impact of what we have not been able to continue to do as a result of Covid.	A paragraph has been added to this section to cover this query.
Governance Framework	Comment from Audit Wales: that the diagram showed the governance structure approved in April 2019, and the document detailed the temporary changes we had made to this governance structure this year. It was suggested that an update diagram outlining the in year temporary changes would be helpful.	A diagram depicting the temporary Governance Structure has been added for clarity.
2.1 - Impact of Covid 19	Suggestion from Audit Wales: that the section include more narrative about the impact of we have not been able to continue to do. It was also suggested to include more narrative about how their decision making processes adapted as a result of Covid 19.	A paragraph has been added to this section to cover this query.
2.2.2 - Board Governance	Correction of the date of when the livestreaming of the Board reviewed.	This has been corrected, live streaming was reinstated as of July 2020

List of changes made to the Annual Governance Statement 2020/21

Section	Comments received	Conclusion
	Comment from Audit Wales: Knowledge, Research and Information Committee (KRIC) and People and Organisational Development Committee (PODC). These committees were suspended in 2020-21, suggestion that there should be a documented narrative as to the impact of suspending these committees.	A paragraph has been added to this section to cover this query in section 2.6 Board Committees.
Executive Governance	Comment from Audit Wales: that there should be more information on the Gold group and how it's operated during the pandemic.	A paragraph has been added to this section to cover this query.
2.3.1 - Improvements to the Governance Framework	Audit Wales - Repetition of the reference to AW structured assessment report	Repeated link removed.
2.5 - Board and Executive Team Membership	Comment from Welsh Government: Concerning department and appointment of Non Exec Directors, Prof Diane Crone was appointed to the NED University post on 1 Sept 2020 and the post was described as being vacant since March, where any arrangements put in place to ensure this didn't disrupt decision making by the Board?	Content had been added to this section to cover this point.
2.6.5 - Remuneration and Terms of Service Committee	Comment from Welsh Government: Reference to decision logs being used for Audit Committee & Quality & Safety Committee but not for the Remuneration Committee.	Action logs are used for Remuneration Committee, content had been added to this section to cover this point.
3 – The purpose and system of Internal Control	Comment from Welsh Government: no reference to how public stakeholders were involved with managing risks impacting upon them or if any weaknesses had been found in the risk environment, how these had been addressed.	Comment acknowledged and will be further considered for 2021/22.
Remuneration Report	5.3. Staff Composition - amendment of date to 2021 rather than 2020	Corrections made following Audit.
	Annex 1a – Single Figure of Remuneration 2020/21	Corrections made following Audit.

List of changes made to the Annual Governance Statement 2020/21

Section	Comments received	Conclusion
	<ul style="list-style-type: none">- change of column header to 'bonus payments' rather than 'other'- Mark Bellis, change to salary, pension and total column data. <p>Annex 1b – Single Figure of Remuneration 2019/20</p> <ul style="list-style-type: none">- change of column header to 'bonus payments' rather than 'other '- Mark Bellis, change to salary, pension column data.- Footnote 5 added to explain MB change. <p>Annex 2 – Pension Benefits</p> <ul style="list-style-type: none">- change to the Real increase in Cash Equivalent Transfer Value column for Mark Bellis.	