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**Unconfirmed Minutes of the Public Health Wales
Audit and Corporate Governance Committee Meeting
7 June 2021 at 14:00
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
Mohammed Mehmet	(MM)	Non-Executive Director
In Attendance:		
Rhiannon Beaumont-Wood	(RBW)	Director of Quality, Nursing and Allied Health Professionals
Liz Blayney	(LB)	Deputy Board Secretary and Board Governance Manager
Tracey Cooper	(TC)	Chief Executive
Andrew Cottom	(AC)	Independent Advisor
Paul Dalton	(PD)	Head of Internal Audit, Audit and Assurance Services, NHS Wales Shared Services Partnership
Angela Fisher	(AF)	Deputy Director of Finances
Jason Garcia	(JG)	Audit Wales
Huw George	(HG)	Deputy Chief Executive, Executive Director of Operations and Finance
Clare James	(CJ)	Audit Wales
Lucy Jugessur	(LJ)	Financial Audit Manager, Audit and Assurance Services, NHS Wales Shared Services Partnership
Martyn Lewis	(ML)	Auditor, Audit and Assurance Services, NHS Wales Shared Services Partnership
Jane Matthews	(JM)	Head of Financial Reporting and Control
Helen Seeby	(HS)	Audit Wales
Jan Williams	(JW)	Chair of Public Health Wales
Secretariat		

Andrew Morton	(AM)	Board Support Officer
Apologies:		
Helen Bushell	(HB)	Board Secretary and Head of Board Business Unit
Stephanie Wilkins	(SW)	Representative from Staff Partnership Forum

The meeting commenced at 14:00

ACGC 144/2021 Welcome and Apologies for Absence

The Chair opened the meeting and welcomed everyone to the meeting, which due to the ongoing response to the Coronavirus and National Guidance in place, was conducted electronically, and was recorded via Microsoft Teams.

Apologies for absence were **noted**.

ACGC 145/2021 Declarations of Interest

DE confirmed that all Executives and Non Executives were referenced in Remuneration and Staff Report, no additional declarations of interest were made in addition to those already declared on the register.

ACGC 146/2021 Year End Reporting / Annual Financial and Governance Statements

146.1/2021 Draft Annual Financial Statement and Accounts 2020/21

The Committee received the Draft Accounts for 2020/21 (ref 3.1 ACGC.07621). HG noted that the Committee had received a detailed presentation on the draft accounts at its meeting on 5 May 2021. Since that meeting, the draft accounts had been submitted to Audit Wales to be audited.

HG reiterated the challenges with year's accounts, with the significant increase in the number of transactions as a result of the COVID-19 pandemic, and he summarised issues specifically relating to the verification of stock and valuation (COVID-19).

JM and AF briefly highlighted some stand out figures from the Accounts showing the significant increases in annual transactions and capital assets.

HG thanked both the financial accounts team and Audit Wales for the way in which the accounts had been completed this year, and the collaborative approach taken.

HG reiterated the challenges surrounding the stock count; the nature of testing, with invalid testing samples, stock in the laboratory being used concurrently during the stock take, meant that the Audit Wales' team was able to reconcile the data to within £200,000; given the total stock value, this was proportionate and acceptable. Audit Wales highlighted this in its Opinion as a possible

adjustment; HG, did not recommend making this adjustment, on the basis that the organisation had complied with its statutory duties and was in line with the Welsh Government manual for accounts . This funding was also reimbursed by Welsh Government.

AC noted his support for recommending the accounts to the Board for approval, and supported HG's recommendation to not make the adjustment to the stock figure.

MM asked for clarification on the contingency liability levels. HG explained that this related to areas where we had legal liabilities and we had an obligation to pay, such as the cost of the future Public Inquiry. JM added that in terms of the retained surplus income, our reported surplus was £32,000; there was a statutory duty to breakeven over a 3 year period and this small surplus gave us flexibility for the following break even position.

TC thanked the Finance Team and AW for their work in an unprecedented year.

JW commended the Finance team and AW on behalf of the Board for way in which the accounts had been finalised this year and welcomed the continued use of new methods of collaborative working between the two organisations.

DE on behalf of the Committee expressed, their thanks to HG and all of the finance team for their work to finalise the accounts this year. DE also acknowledged the good governance demonstrated through the regular financial reports throughout the year, which allowed the Committee to take assurance on the overall management of finances within the organisation.

The Committee

- **Agreed to recommend** the Accounts for 2020/21 to the Board for approval
- **Noted** that once approved by the Board, it would be submitted to Welsh Government on 11 June 2021

146.2/2021

Draft Accountability Report 2020/21

The Committee received the Draft Accountability Report for 2020/21 (ref 3.2a, 2b, 2c ACGC.07621). LB advised the Committee that the draft report had been considered by the Committee at its meeting on 5 May 2021, prior to submission to Audit Wales and Welsh Government for review.

LB noted a summary of the changes that had been made to the reports as a result of comment from Audit Wales, Welsh Government and Internal Audit. had been included in the covering report. The Committee made reference to minor typographical errors in the report, LB agreed to correct these prior to submission to the Board.

On behalf of the Committee, DE thanked all those involved in the preparation of the Accountability Report.

The Committee:

- Agreed to **recommend** the Accountability Report 2020/21 for Board approval;
- **Noted** that once approved by the Board, it would be submitted to Welsh Government on 11 June 2021

146.3/2021

Audit Wales Annual Opinion (ISA 260)

The Committee received the Audit Wales (AW) Audit of Accounts Report for 2020/21 (ref 3.3 ACGC 070621). CJ informed the Committee that AW were issuing an Unqualified Audit Report with an Emphasis of Matter Note – a note issued to all NHS bodies this year.

JG informed the Committee of two areas to highlight: challenges to ensure reconciliation of stock valuation, as outlined by HG in his introduction, and clinician's tax liabilities.

JW asked how any learning from this year's process was being captured. JG and CJ advised the Committee that an internal review of the process was planned to ensure any learning from the process was identified, and that this would be discussed with HG and the finance team.

On behalf of the Committee, DE expressed his thanks to the AW team for their work during challenging times to complete the end of year reporting.

The Committee **noted** that the AW intended to issue an Unqualified Audit Report on the financial statements.

146.4/2021

Head of Internal Audit Opinion and Annual Report 2020/21

The Committee received the Head of Internal Audit Opinion and Annual Report 2020/21 (ref 3.4 ACGC 070621)

PD noted the draft report had been presented to the Committee in May 2021, and highlighted the changes to include reference to the draft report on Additional Hours overtime overpayment, which had been issued with a limited assurance opinion. The overall reasonable assurance level remained in the final annual report.

DE thanked PD and his team for the work undertaken this year.

TC noted the limited assurance rating for the Additional Hours and Overtime payments, and confirmed the issues highlighted by the audit would be addressed appropriate and action would be taken within a the agreed time frame to address this.

The Committee took **assurance** from the Head of Internal Audit Annual Opinion.

ACGC 147/2021 Internal Audit Progress and Reports

The Committee received the IT Business Continuity Final Internal Audit Report (ref 4 ACGC 070621), which had received a reasonable assurance rating, with four recommendations detailed in Appendix A, one with medium risk and three with low risk. ML assured to Committee that good practice was identified throughout.

MM asked for clarification to be made in the report about the wording used regarding data loss. It was clarified that this related to permanent loss of data due to failure of backup. PD agreed to clarify wording within the final report relating to data loss for clarity.

Action - PD

DE thanked the IT team for their work throughout the year, which was highlighted in this report.

ACGC 148/2021 Minutes, Action Log and matters arising from the previous meeting

The Committee received the minutes of the last meeting (ref. 5. ACGC.070621). The minutes received were accepted as a true and accurate record of the meeting.

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

ACGC 149/2021 Closing Administration

149.1/2020 Date of next meeting

Wednesday, 15 September 2021, 09:30, Room 3.7 Public Health Wales, Capital Quarter and via Microsoft Teams

149.2/2020 Publication of Papers

The Committee **noted** that the Committee papers, with the **exception** of the Accounts which had to be laid before Welsh Government before being published.

149.3/2020 Committee Feedback

JW thanked DE for his work Chairing the Committee during the previous 12 months, and commented on his inclusive style of chairing.

DE thanked everyone for their contributions during the meeting, and thanked the Board Business Unit for the support received to support the Committee throughout the year.

The Meeting concluded at 15:38