



**GIG**  
CYMRU  
**NHS**  
WALES

Iechyd Cyhoeddus  
Cymru  
Public Health  
Wales

**Name of Meeting**  
Audit and Corporate  
Governance Committee  
**Date of Meeting**  
14 June 2022  
**Agenda item:**  
3.4

**Accountability Report –**

- **Annual Governance Statement 2021/22**
- **Remuneration and Staff Report 2021/22**
- **Welsh Parliament Accountability and Audit Report 2021/22**

**Financial Accounts and Audit Wales (refer item 3.3 of the agenda)**

<b>Executive lead:</b>	Huw George, Executive Director of Operations and Finance and Deputy Chief Executive Helen Bushell, Board Secretary and Head of Board Business Unit
<b>Author:</b>	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

<b>Approval/Scrutiny route:</b>	Draft Corporate Governance Report, Remuneration and Staff Report approved for submission to Audit Wales and Welsh Government by Audit and Corporate Governance Committee on 5 May 2022  The Chief Executive reviewed and signed off the documents prior to submission to Welsh Government, Internal Audit and Audit Wales.
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**Purpose**  
Public Health Wales is required to provide an Accountability Report as part of the Annual Report and Accounts for 2021/22. 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.

<b>Recommendation:</b>				
APPROVE <input type="checkbox"/>	CONSIDER <input type="checkbox"/>	RECOMMEND <input checked="" type="checkbox"/>	ADOPT <input type="checkbox"/>	ASSURANCE <input type="checkbox"/>

The Committee is asked to:

- **Recommend** the Accountability Report 2021/22 for Board approval.
- **Recommend** the Financial Accounts and the Audit Wales Annual Opinion (ISA 260) to the Board for approval.  
(refer item 3.2 and 3.3 of the Committee agenda for papers)
- Note that once approved by the Board, it will be submitted to Welsh Government by 15 June 2022

### 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:

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

<b>Equality and Health Impact Assessment</b>	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 2021/22.
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<b>Risk and Assurance</b>	N/A
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<b>Health and Care Standards</b>	This report supports and/or takes into account the <a href="#">Health and Care Standards for NHS Wales</a> Quality Themes  Governance, Leadership and Accountability
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<b>Financial implications</b>	There are no direct financial implications.
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<b>People implications</b>	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 2021/22. 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 Annual Governance Report and Remuneration and Staff Report at its meeting on 5 May 2022.

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, Internal Audit and Audit Wales for review. Comments were received from all three organisations and have been incorporated into the final draft.

The final drafts are provided for consideration by this Committee with a request to recommend them to the Board for approval at its meeting on 14 June 2022.

## 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 2021/22.

The key dates for Public Health Wales are as follows:

<b>5 May 2022</b>	Draft Accountability Report and Financial reports presented to ACGC for comment.
<b>6 May 2022</b>	Draft Accountability Report and Financial submission to Welsh Government and Audit Wales
<b>14 June 2022</b>	ACGC Meeting to receive final reports, auditors opinion and consider if content to recommend the report to the Board for subsequent approval
<b>14 June 2022</b>	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.

Parliamentary Accountability and Audit Report has been produced by the Operations and Finance Directorate.

A revised draft of the Corporate Governance Statement and the Remuneration and Staff Report were submitted to Welsh Government on 6 May 2022.

## **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 2022, some changes were made to the document to reflect the feedback received. A revised version of this document was submitted to the Welsh Government, Internal Audit and Audit Wales for review. Comments were received from all three organisations and have been incorporated into the final draft. A summary of changes is attached as Appendix 1.

Since the draft version of the Annual Governance Statement was approved for submission on the 6 May 2022, the document has been updated to reflect feedback from:

<b>Audit Wales</b>	Welsh Government reviewed the draft Corporate Governance Report and draft Remuneration and Staff report and provided feedback on May 2022. The comments and changes are listed in the table below
<b>Internal Audit</b>	Internal Audit reviewed the draft Corporate Governance Report and draft Remuneration and Staff report and provided feedback in May 2022. The comments and changes are listed in the table below
<b>Welsh Government</b>	Welsh Government reviewed the draft Corporate Governance Report and draft Remuneration and Staff report and provided feedback in May 2022. The comments and changes are listed in the table below

### 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 2021/22 for Board approval.
- **Recommend** the Financial Accounts and the Audit Wales Annual Opinion (ISA 260) to the Board for approval.  
*(refer item 3.2 and 3.3 of the Committee agenda for papers)*
- Note that once approved by the Board, it will be submitted to Welsh Government by 15 June 2022

## **Appendix 1 - 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.

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:

<b>Section</b>	<b>Comments received</b>	<b>Conclusion</b>
<b>All</b>	Minor changes were made to the format, and amendments for clarification and accuracy.	
<b>Board Governance</b>	Figure 1 shows the structure which was in operation from the 1st April 2019 'with some changes during the period for Covid-19' – it is not immediately clear to the reader what these changes were – some supporting narrative appears to be included in Section 3.1.2 which is included with variations to ways of working	Footnote added to figure 1, and additional table added at 3.1.1 to explain relevant Covid changes.
<b>Risk</b>	the risk section makes general statement about stakeholders having been involved in the development of the long term strategy but not specifically how they were engaged in risk management – particularly those where PHW risks may impact on them as per annex 2	Risk section updated.
	The AGS explains requirement for annual statement of risk appetite but then signposts back to 2019/20 statement. The guidance in annex 2 of the manual for accounts states that bodies should state HOW appetites were determined which PHW doesn't do	Additional text added to update the risk appetite position.
	Annex 2 includes a statement on civil contingencies that it recommends including in this section	Text added.
	Where the risk environment identifies weaknesses, the emphasis should be on how these have been addressed - No specific mention of how identified weaknesses would be addressed.	Risk section updated
<b>Ministerial Directions</b>	Ministerial Directions should be included in a table with relevant actions listed.	Table added.
	WHC link to the WG website is provided. Those that applied to the Trust should be listed in a Table within the narrative to include the date/year and the actions taken by the Trust in response.	Table added to explain relevant WHCs and the action taken.

## **Appendix 1 - List of changes made to the Annual Governance Statement 2020/21**

<b>Section</b>	<b>Comments received</b>	<b>Conclusion</b>
<b>Internal Audit</b>	Model text from the manual for accounts missing	Model text added in full.
	Further information on the Internal Audit reports for the year to give an indication of what these covered	Further table added with a summary of the objectives for each Internal Audit Report this year.
<b>Health and care standards</b>	Additional detail about the scoring mechanism to give context	Added the scoring matrix for context.