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**Confirmed Minutes of the Public Health Wales
Audit and Corporate Governance Committee Meeting
05 May 2022 at 09:00 via Microsoft Teams**

Present		
Dyfed Edwards	(DE)	Committee Chair and Non-Executive Director
Mohammed Mehmet	(MM)	Non-Executive Director
Kate Young	(KY)	Non-Executive Director
In Attendance:		
Robert Bailey	(RB)	Trade Union Representative
Rhiannon Beaumont-Wood	(RBW)	Executive Director of Quality, Nursing and Allied Health Professionals
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, 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
Claire Green	(CG)	Finance Delivery Unit (for item 22/2022)
Ramim Khan	(RK)	Audit Wales
Neil Lewis	(NL)	Director of People and Organisational Development (for item 23.3)
Clare James	(CJ)	Audit Wales (for item 26)
Lucy Jugessur	(LJ)	Financial Audit Manager, Audit and Assurance Services, NHS Wales Shared Services Partnership (<i>part of the meeting</i>)
Jane Matthews	(JM)	Head of Financial Reporting and Control, Finance
Stacey Taylor	(ST)	Finance Delivery Unit (for item 22/2022)
Verity Winn	(VW)	Audit Wales

Apologies:		
Tracey Cooper	(TC)	Chief Executive
Andrew Cottom	(AC)	Independent Advisor
Jan Williams	(JW)	Chair
Secretariat		
Reanne Reffell	(RR)	Board Support Officer
The meeting commenced at 09:00		
ACGC 20/2022 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 June 2022.</p> <p>The apologies for absence received were noted.</p>		
ACGC 21/2022 Declarations of Interest		
Non-Executive Directors, Executive Directors and the Board Secretary declared an interest in item 23.3, Draft Remuneration report 2021-22.		
ACGC 22/2022 Hosted Bodies – Finance Delivery Unit		
<p>The Committee received the Finance Delivery Unit – Annual Assurance Report (Ref: 3.1 ACGC 2022_05_05).</p> <p>ST and CG provided an overview of the Finance Delivery Unit annual report, confirming their compliance with the necessary areas. They went on to thank the Organisation for their support during the Finance Delivery Units organisational changes and workforce expansion.</p> <p>The Committee explored a potential deep dive into Public Health Wales’ hosted bodies. It was noted that the Committee had considered a report on partnerships and Memorandum of Understandings in the past. HG agreed to circulate a briefing which would outline the hosting arrangements, governance around this and any other useful information to support Committee members understanding of the process, and how the Trust met its Commitments. Further discussions would then be arranged as necessary.</p> <p>Action: HG</p> <p>Committee members thanked ST and CG for their presentation and took assurance that the Finance Delivery Unit had complied with its hosting agreement as stipulated in the hosting agreement.</p>		

ACGC 23/2022	Annual Report
ACGC 23.1/2022	Draft Accounts 2021 /22
<p>The Committee received the draft annual accounts for 2021-22 (Ref: 4.2 ACGC_2022_05_05).</p> <p>In introducing the draft annual accounts, HG advised that it confirmed Public Health Wales had met its financial duties. JM went on to present the accounts, outlining: the performance of key targets; audit findings from 2020-21; the next steps and key dates.</p> <p>DE conveyed the Chair of Public Health Wales question regarding the rationale for the Auditor General’s position on tax liability for NHS clinicians. RK advised of the audit general’s differing opinion in terms of its irregularity. MM commented that that the wording and explanation could be strengthened to fully explain this in context.</p> <p>The Committee commented on the complexity of the last financial year in terms of procurement and the substantial growth in the workforce due to the pandemic. It was noted that the Budget strategy sought to address any learning points going forward, and that revised finance plans over the course of the year addressed under and overspends through the management of Covid costs and investments pots.</p> <p>Committee members thanked the finance team for their handling of Public Health Wales’ finances within year, in addition to end of the year. Committee members were encouraged to contact the finance team with any comments or queries on the draft annual accounts.</p>	
ACGC 23.2/2022	Draft Annual Governance Statement 2021/22
<p>The Committee received an overview of the draft Annual Governance Statement (Ref: 4.2 ACGC 2022_05_05)</p> <p>Committee members commented that the statement was well developed and engaging. The Committee accepted the draft report for submission to Audit Wales and Welsh Government for review.</p>	
ACGC 23.3/2022	Draft Remuneration Report 2021/22
<p>The Committee received an overview of the Draft Remuneration Report 2021/22, (Ref. 4.2 ACGC_2022_05_05) from NL.</p> <p>The Committee considered the increased expenditure on consultancy recruitment. It was noted this was linked to non-recurring costs for specialist expertise in the digital knowledge area, and recurring costs to help embed improvement work. These services were procured via open tender.</p>	

The Committee reflected on the COVID related agency costs, noting that the People and Organisational Development Committee had oversight of the recruitment resource challenges.

The Committee **accepted** the draft report for submission to Audit Wales and Welsh Government for review.

ACGC 23.4/2022	Head of Internal Audit Opinion and Annual Report 2021/22
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The Committee received and **accepted** the following reports (Ref: 4.4 ACGC 2022_05_05):

- Internal Audit final report on Stock management (substantial assurance)
- Internal Audit final report on Welsh Risk Pool (reasonable assurance)
- Draft Head of Internal Audit Opinion

PD confirmed that the overall assurance rating for the organisation was reasonable, which reflected the status of audits undertaken throughout 2021-22. The Committee considered ways to strive for further improvement and recognised the importance of remaining vigilant in key areas such as data security.

ACGC 24/2022	Managing Risk
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ACGC 24.1/2022	Annual Review of Risk Framework / Risk Development Plan
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The Committee received the Risk Management Development Plan (Ref: 5 ACGC 2022_05_05).

RBW presented the plan: outlining a summary of high level objectives; noting that the Business Executive Team was due to consider a more detailed plan of progress against year one, and that the Board had held a session around risk appetite, which had fed into this piece of work.

The Committee considered:

- Whether there was an overall organisational risk appetite, how it aligned with the strategic plan and how it could be operationalised. RB-W commented that Iain Bell would be working with the leadership team around embedding risk management and that risks against the Integrated Medium Term Plan would be revisited alongside the refresh of the Long Term Strategy.
- Work around brand management and the public perception risk and how this linked with the corporate and strategic risk framework. RB-W and HG agreed to explore these within the refresh of the strategic themes.

The Committee took **assurance** on the system for the management of risk within the organisation.

ACGC 25/2022	Governance and Accountability
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ACGC 25.1/2022	Governance and Committee Oversight of Audit 2022/23
<p>The Committee received the Audit Protocol and Internal and External Audit Activity Plan for 2022-23 (Ref: 6.1 ACGC 2022_05_05).</p> <p>HB introduced the report, noting that the Protocol offered clarity around the receipt of audit reports, the role of the audit committee and the role of other committees where those audit reports related to their terms of reference and remit. The protocol proposed a stronger role for the Executive Team in terms of monitoring the management response to audit findings and would be trialled for a period of 12 months.</p> <p>The Committee considered the Board and Committee's role of accounts scrutiny, emphasis that while everyone at Board level had a responsibility to understand the accounts, the Audit and Corporate Governance Committee's time was best spent on specific issues or areas of Board concern.</p> <p>The Committee approved the draft Protocol for the reporting and oversight of Internal and External Functions within Public Health Wales (Appendix 1).</p>	
ACGC 25.2/2022	Committee Effectiveness Review
<p>The Committee considered a presentation on the Committee Effectiveness Review (Ref: 6.2 ACGC 2022_05_05).</p> <p>LB outlined a summary of the thematic issues across all of the Committees, and specifically those for the Audit and Corporate Governance Committee. The Committee accepted the report.</p>	
ACGC 25.3/2022	Committee Annual Report
<p>The Committee considered a report outlining the Committee's Annual Report for 2021-22 (Ref: 6.3 ACGC 2022_05_05), which summarised the key areas of business activity undertaken.</p> <p>The Committee approved the report for submission to Board at its meeting on 26 May 2022 for assurance that the Audit and Corporate Governance Committee was fit for purpose and operating effectively in fulfilling its terms of reference.</p>	
ACGC 25.4/2022	Terms of Reference Reviews
<p>The Committee received the Committee Terms of Reference (Ref: 6.4 ACGC.2022.05.05).</p> <p>The Committee considered the proposed changes to the Committees terms of reference and resolved to recommend the revised terms of reference to the Board for approval.</p>	
ACGC 25.5/2022	Minutes, Action Log and Matters Arising

The Committee received the minutes and action log of the meeting held on 16 March 2022 (Ref: 6.5 ACGC_2022_05_05).

The minutes of the meeting held on 16 March 2022 were **approved** as a true and accurate record of the meeting.

The Committee considered updates to two open items on the action log:

- Action Ref. ACGC 15/2022: RBW agreed to take forward concerns regarding the impact of the Public Inquiry on Freedom of Information requests, and the resultant resource implications, as part of the Information Governance Report that would go to the June Business Executive Meeting. The Committee **approved** a revised target date of June 2022.
- Action Ref. ACGC 16/2022: The Committee explored the proposed content for the follow up Cyber Security deep dive in September, noting that it would focus on its internal systems, and All Wales systems respectively. Queries on the safety of the organisations data held by external organisations would form part of the Information Governance work overseen by the Knowledge, Research and Information Committee.

ACGC 26/2022 External Audit

ACGC 26.1/2022 Audit Wales PHW Plan 2022

The Committee received and considered the Audit Wales 2022 Audit Plan (Ref: 7.1 ACGC 2022_05_05).

The Committee commented on the constructive partnership with Audit Wales and the value it brought to the organisation.

DE conveyed the Chair of Public Health Wales question regarding Audit Wales fees for the year. VW commented that this was largely due to the performance audit, and All Wales thematic topics which required additional expertise. CJ advised that the organisation would only be charged for work delivered. DE thanked Audit Wales colleagues for the explanation, agreed to relay the response to Jan Williams and take forward outside of the meeting.

CJ noted the auditor general's irregularity opinion regarding pensions. The Committee referenced the discussion above, again re-iterating the need to strengthen the wording of the explanation.

ACGC 27/2022 Items to Note

ACGC 27.1/2022 Finance, Procurement and Counter Fraud

The Committee **noted** the following reports (Ref: 8.1 ACGC 2022_05_05:

- 8.1a Counter Fraud Quarterly Update
- 8.1b Counter Fraud Annual Plan
- 8.1c Losses and Special Payments
- 8.1d Procurement Report

ACGC 27.2/2022 Internal, External and Clinical Audit	
The Committee noted the following reports (Ref: 8.2 ACGC 2022_05_05):	
<ul style="list-style-type: none"> • 8.2a Audit Wales Progress Update • 8.2b Quality and Clinical Audit Plan 2021/22 	
ACGC 27.3/2022 Managing Risk	
The Committee noted the Corporate Risk Register (Ref: 8.3 ACGC 2022_05_05).	
ACGC 27.4/2022 Governance and Accountability	
The Committee noted the Annual Committee Work Plan 2022-23 (Ref: 8.4 ACGC 2022_05_05).	
ACGC 28/2022 Closing Administration	
The next meeting would be held on Tuesday 7 June 2022, 13:00, Room 3.7 Public Health Wales, Capital Quarter and via Microsoft Teams	
The Committee noted that all Committee papers would be published, with the exception of:	
<ul style="list-style-type: none"> • Draft Annual Accounts • Losses and Special Payments • Procurement Report • Strategic Risk • Redaction of the 16 March 2022 minutes in relation to stock write off and loss. Once accounts have been published, the minutes will be un-redacted. 	
DE thanked everyone for their contributions during the meeting. Attendees reflected on the meeting and provided feedback.	
The Meeting concluded at 12:00	