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Public Health
Wales

Name of Meeting
Audit and Corporate
Governance Committee
Date of Meeting
10 May 2023
Agenda item:
10.2

Audit and Corporate Governance Committee Annual Report 2022/23

Committee Chair:	Nick Elliott, Committee Chair and Non-Executive Director
Executive lead:	Huw George, Deputy Chief Executive, Executive Director of Operations and Finance
Author:	Liz Blayney, Deputy Board Secretary and Board Governance Manager

Approval/Scrutiny route:	This report is being presented to the Audit and Corporate Governance Committee in draft form for approval for submission to the Board at its meeting on 25 May 2023.
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Purpose

The main purpose of the Audit and Corporate Governance Committee e Annual Report is to assure the Board that the system of assurance is fit for purpose and operating effectively. The report summarises the key areas of business activity undertaken by the Committee over 2022/23.

Recommendation:

APPROVE <input checked="" type="checkbox"/>	CONSIDER <input checked="" type="checkbox"/>	RECOMMEND <input type="checkbox"/>	ADOPT <input type="checkbox"/>	ASSURANCE <input type="checkbox"/>
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The Committee is asked to:

- **Consider** the Audit and Corporate Governance Committee Annual Report for 2022/2023 summarising the key areas of business activity undertaken;
- **Approve** the Draft report for submission to Board at its meeting on 25 May 2023 for **assurance** that the Audit and Corporate Governance Committee is fit for purpose and operating effectively in fulfilling its terms of reference.

Audit and Corporate Governance Committee

Annual Report 2022/23

Audit and Corporate Governance Committee Annual Report 2022/23

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1 Introduction

This report summarises the key areas of business activity undertaken by the Audit and Corporate Governance Committee ('the Committee') over the past year and highlights some of the key issues which the Committee intend to give further consideration to over the next 12 months.

2 Role and responsibilities

The Terms of Reference for the Audit and Corporate Governance Committee were reviewed and agreed by the Board in May 2022.

The purpose of the Audit and Corporate Governance Committee ("the Committee") is to:

- **Advise** and **assure** the Board and the Chief Executive (who is the Accountable Officer) on whether effective arrangements are in place - through the design and operation of the Trust's assurance framework - to support them in their decision taking and in discharging their accountabilities for securing the achievement of the Trust's objectives, in accordance with the standards of good governance determined for the NHS in Wales.
- Where appropriate, **advise** the Board and the Chief Executive on where, and how, its assurance framework may be strengthened and developed further.

- **Approve**, on behalf of the Board policies, procedures and other written control documents in accordance with the Scheme of Delegation.

The core functions of the Committee are as follows:

1. Comment specifically on the adequacy of the Trust's strategic governance and assurance framework and processes for the maintenance of an effective system of good governance, risk management and internal control.
2. Ensure the provision of high quality, safe healthcare for its citizens it will comment specifically on Board's Standing Orders,

and Standing Financial Instructions (including associated framework documents, as appropriate).

This includes:

- accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, the ISA 260 Report 'Communication with those charged with Governance' and managements' letter of representation to the external auditors.
- schedule of Losses and Special Payments.
- planned activity and results of internal audit, external audit, clinical audit and the Local Counter Fraud Specialist (including strategies, annual work plans and annual reports).
- adequacy of executive and managements response to issues identified by audit, inspection and other assurance activity

Support the Board with regard to its responsibilities for governance (including risk and control) by reviewing and approving as appropriate:

- all risk and control related disclosure statements, in particular the Annual Governance Statement and the Annual Quality Statement together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board.
- the underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements.
- the policies for ensuring compliance with relevant regulatory, legal and code of conduct and accountability requirements.
- the policies and procedures for all work related to fraud and corruption as set out in National Assembly for Wales Directions and as required by the Counter Fraud and Security Management Service.
- arrangements relating to the discharge of the Trust's responsibility as a Bailee for patients' property

The Committee reviews and agrees its programme of work on an annual basis, and recommends it to the Board for approval.

Comment / Recommendation to Board

With regard to its role in providing advice to the Board, the Committee will comment and make recommendations to the Board specifically on the:

- Board's Standing Orders, and Standing Financial Instructions (including associated framework documents, as appropriate) Including Formal consideration of any reports from the Board Secretary on any non-compliance with Standing Orders, making proposals to the Board on any action to be taken.
- Ensuring that there is an effective scheme of delegation in place to secure active, ongoing assurance from management with regard to their responsibilities and accountabilities, whether directly to the Board and the Chief Executive or through the work of the Board's committees
- Accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, the ISA 260 Report 'Communication with those charged with Governance' and managements' letter of representation to the external auditors
- All risk and control related disclosure statements, in particular the Annual Financial statements, Accountability report and the Annual Governance Statement together with any accompanying Head of Internal Audit statement, External audit opinion or other appropriate independent assurances, prior to approval by the Board.
- Adequacy of the Trust's corporate governance and assurance framework and processes for the maintenance of an effective system of good governance, risk management and internal control across the whole organisation's activities (both clinical and nonclinical).

Delegated Decisions

The Committee will support the Board with regard to its responsibilities for governance (including risk and control) by **reviewing** and **approving** as appropriate:

- The policies for ensuring compliance with regulatory, legal and code of conduct and accountability requirements within the remit of the Committee.
- The policies and procedures for all work related to fraud and corruption as set out in National Assembly for Wales

Directions and as required by the Counter Fraud and Security Management Service

- Risk Assessment and Risk Register Procedures, Guidelines and Protocols
- Financial Control Procedures
- Arrangements relating to the discharge of the Trust's responsibility as a Bailee for patients' property.
- Policies relating to Information Governance/ Caldicott/Data Protection/Freedom of Information.

2.1 Membership of Committee

The membership of the Committee during 2022/23 was as follows :

Name	Position	Attendance *
Nick Elliott	Committee Chair as of 1 March 2023 and Non-Executive Director.	1/1
Mohammed Mehmet	Non-Executive Director	5/5
Kate Young	Non-Executive Director	3/5
Dyfed Edwards	Committee Chair and Non-Executive Director until 28 February 2023	3/4

The Chair of the Board, Jan Williams, has a standing invite to attend Committee meetings, and attended two meetings of the Committee during 2022/23

2.2 Others in attendance

During 2022/23, the meetings were also attended by the following

Name	Position	Attendance
Huw George	Deputy Chief Executive / Executive Director of Operations and Finance	5/5
Rhiannon Beaumont-Wood	Executive Director of Quality, Nursing and Allied Health Professionals	2/5
Helen Bushell	Board Secretary and Head of Board Business Unit	3/3
Angela Fisher	Deputy Director and Head of Finance	4/5
Liz Blayney	Acting Board Secretary and Head of Board Business Unit	2/2

**Some attendees were in position for part of the year, so number denotes total number of meetings they were able to attend in that role.*

Other Directors and officers attended during the year to present reports which related to their areas of responsibility as required.

Andrew Cottom was as an Independent Advisor to the Committee until 2 December 2022.

The Chief Executive, Tracey Cooper, was also invited to attend every meeting, and attends at least annually. The Chief Executive attended one meeting during the year.

Representatives from the Local Partnership Forum have a permanent invite to attend the Committee.

Representatives of Audit Wales, and the Internal Audit Service also attended each meeting.

Representatives of the Cardiff and Vale University Health Board Counter Fraud Service attended two Committee meetings to present their report.

2.3 Meeting frequency

During 2022/23 the Committee met 5 times and was quorate on all occasions.

The terms of reference for the Committee require meetings to be held no less than quarterly and otherwise, as the Chair of the Committee deems necessary, consistent with the Trust's annual plan of Board and Committee Business.

One of the five total meetings is held on an annual basis to receive and recommend for Board approval the Accountability Report and Annual Financial Statements and Accounts.

3 Main areas of Committee activity 2022/23

The Committee wishes to assure the Board that it fulfilled its work plan for 2022/23 covering a wide range of activity. The following sections provide a summary of this activity. The Committee considered the following items:

Internal Audit	
Quarterly Progress Update	NHS Wales Shared Services Partnership carries out a number of functions on behalf of Public Health Wales. The Committee receives reports from the internal audit function which provide it with assurance that these functions are efficient and cost effective.
Internal Audit Reports	Presentation of all Internal Audits listed in Section 3.2.
Head of Internal Audit Opinion 2021/22	For assurance of the overall assessment and Opinion from the Head of Internal Audit for the 2021/22 year.
External Audit	
Progress Reports	Audit Wales (AW) provided the Committee with regular progress reports on any external audits and monitored progress against recommendations.
Structured Assessment	Considered the report summarising the audit work undertaken during 2022.
AW Annual Report for 2022	Considered the report summarising the audit work undertaken during 2022.
Audit (internal and external) Action Log	Progress on the implementation of actions and to approve any closure of actions or amendments to timescales.
Counter Fraud	
Counter Fraud Updates	For assurance on the effective management of Counter Fraud issues within the Organisation, the Committee receives an update at each meeting, with a presentation at alternate meetings.
Finance and Procurement	
Quarterly Losses and Special Payments Report	To assure the Committee that these were taken in line with the requirements of the Standing Financial Instructions (SFIs).
Quarterly Procurement Reports	To assure the Committee that these were taken in line with the requirements of the Standing Financial Instructions (SFIs).

Finance Updates	To assure the Committee in the financial position of the organisation.
Annual Review of Debt Right offs	Approval of the annual bad debts and claims abandoned for 2022/23.
Corporate Governance	
Standards of Behaviour Policy	For assurance on the implementation of the Standards of Behaviour Policy.
Welsh Health Circulars (WHC)	For assurance that process for recording and monitoring the organisations compliance with WHC was being managed effectively.
Integrated Governance	For assurance on progress with the implementation the model.
Self-Assessment 2022/23 – Code of Practice Compliance	For assurance that the Organisation complied with the Self-Assessment 2022/23 – Compliance against the Governance in Central Government Departments: Code of Practice 2017.
Bi-annual Policies Status	For assurance of the prioritisation and progress being made to review policies and procedures within the remit of the Committee.
Policies	Approved the All Wales Information Counter Fraud, Bribery and Corruption Policy, the All Wales Damage to Personal Property Policy, the All Wales Policy on Insurance, NHS Indemnity and Related Risk Management; and the Public Health Wales Policy on Indemnity which is based on the All Wales Policy.
Information Governance	
Information Governance Performance Report	For assurance that the Information Governance Management System was working effectively
Data Breaches	For assurance on the progress and learning from data breaches.
Cyber Security	
Bi Annual Updates	For assurance of the organisations management of Cyber Security issues.
Deep Dive	The Committee considered a deep dive into Cyber Security, and took assurance on the management of Cyber Security within the organisation at each Committee meeting.
Committee Governance	
Annual Committee Effectiveness	The Committee considered a presentation on Committee Effectiveness and Performance following the completion of an online survey by Committee Members and

	attendees. A full report from this discussion will be provided to the Board as part of the Board's Performance and Effectiveness review planned for Quarter 1 2023.
Terms of Reference Review	Annual review of the Committee's terms of reference for a recommendation to the Board for any changes required.
Committee Work Planning.	To plan the Committee focus for the following year, and to approve a work programme.
Annual Reporting	
Annual Accounts Plan for 2022/23	For assurance of the arrangements in place to produce the Annual Report in line with requirements.
Draft Accountability Report 2022/23	<p>The Committee received the Accountability Report and the Annual Financial Statements and Accounts for 2022/23 in draft on 5 May 2022, for approval prior to submission to Audit Wales and Welsh Government.</p> <p>The Committee Reviews the final draft of the Accountability Report and the Annual Financial Statements on 14 June 2022, and recommended it to submission to Board. The final submission was approved by the Board at an extraordinary meeting on 14 June 2022.</p>
Hosted Bodies	
Finance Delivery Unit: Annual Assurance Statement	For assurance that the collaborative have complied with the hosting arrangements.
NHS Collaborative Annual Assurance Statement	For assurance that the collaborative have complied with the hosting arrangements.
Risk	
Corporate Risk	To enable them to gain assurance that operational risks were being appropriately managed.
Strategic Risk	Received the Strategic Risk Register (SRR) for oversight of those elements of the SRR which apply to the risks falling under the remit of the Committee. The Committee's role is to seek assurance from the Executive on the management of the risks, in

	particular to test the efficacy of the controls and to make recommendations to strengthen the control environment where necessary.
Annual Review of Risk	For assurance of the appropriate plan in place to manage risk within the organisation.

Draft

3.1 Reporting outside of Committee





There have been no reports that have been considered out of committee this year.

3.2 Internal Audit

Completed Audits 2022/23

During the year, the Committee received and discussed a number of reports produced by Internal Audit.

These are listed in the table below, together with the assurance rating provided:

Report	Level of assurance provided			
	No assurance 	Limited assurance 	Reasonable assurance 	Substantial assurance 
Local Public Health Teams				X
NIS Directive (Cyber Security)				X
Information Governance Toolkit			X	
Risk Management			X	
Workforce – Sickness absence monitoring			X	
Financial Management				X
Health and Safety			X	
Welsh Risk Pool claims				X

This section will be updated following the May meeting to reflect the IA reports presented

3.3 Reporting outside of Committee

There were no reports circulated to the Committee outside of the meetings.

3.4 Work-plan / Action Log

The Committee Work Plan ensures that the Committee discharges its responsibilities in a planned manner. It assists with agenda planning and is updated during the year to ensure that the Committee considers any additional items which may arise during the year.

In order to monitor progress and any necessary follow up action, the Committee has an Action Log that captures all agreed actions. This provides an essential element of assurance to the Committee and from the Committee to the Board.

The Committee reported to the Board through a composite Chair's report, providing an overview of items considered by the Committee and highlighting any cross- committee issues / themes or items needing to be brought to the Board's attention.

The Composite Chair's report and confirmed minutes are published with the Board papers.

4. Relationship with other Committees

The Audit and Corporate Governance Committee has continued to work closely, the Quality, Safety and Improvement Committee. It also works with the People and Organisational Development Committee and Knowledge, Research and Information Committee which have resumed their work following their suspension during the COVID-19 pandemic.

The Audit and Corporate Governance Committee has ensured that the statutory requirements relating to Information Governance have been given due consideration, and assurance is provided to the Board on these matters.

Any matters requiring consideration from other Committees are coordinated through the Board Business Unit.

Areas that are remitted to other Committees are noted in the Committee Chair's composite report which is presented at Board.

5. Assurance to the Board

The Committee wishes to assure the Board that on the basis of the work completed by the Committee during 2022/23, there are effective measures in place and there are no outstanding issues that the Committee wishes to bring to the attention of the Board over and above the risks and issues already raised in the Committee Chairs composite report or that are already visible in the Strategic Risk Register and Corporate Risk Register.

The Chair of the Committee reports into the Board via a composite report from Committee Chairs, where any significant issues are brought to the attention of the Board.

6. Committee Effectiveness

During the year the Committee has continued to review and revise its ways of working to optimise the need for a robust governance approach and balance the need reduce pressure on staff during this time.

The Committee continued to review its effectiveness thorough the year, to ensure effective use of time and ensure it fulfilled its role to provide assurance to the Board.

The Committee has engaged with a formal Board and Committee effectiveness review process which took place in March 2023. The outcome and recommendations following this review will be reported to the Board in Quarter 1, 2023.

7. Planned Activity in 2023/2024

The Committee is committed to continuing to develop its function and effectiveness and intends seeking further assurance in 2023/24 in respect of the:

- Organisational and Financial Efficiencies;
- Further development of the Strategic Risk Register;
- Consideration within the work plan next year to include deep dives in Risk; Counter Fraud, and Financial Efficiency / value for money;
- Recognising the pace at which Cyber security changes, the Committee ensures ongoing monitoring at each Committee meeting.