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**Confirmed Minutes of the Public Health Wales
Audit and Corporate Governance Committee Meeting
12 July 2023 at 09:00, in 3.5 CQ2 and via Microsoft Teams**

Present		
Nick Elliott	(NE)	Committee Chair and Non-Executive Director
Kate Young	(KY)	Non-Executive Director
In Attendance:		
Anne Beegan	(AB)	Audit Wales
Liz Blayney	(LB)	Deputy Board Secretary and Board Governance Manager
Tracey Cooper	(TC)	Chief Executive
Paul Dalton	(PD)	Head of Internal Audit, Audit and Assurance Services, NHS Wales Shared Services Partnership
Huw George	(HG)	Deputy Chief Executive, Executive Director of Operations and Finance
Martyn Lewis	(ML)	Auditor, Audit and Assurance Services, NHS Wales Shared Services Partnership. (For item 3.1)
Alun Lloyd	(AL)	Independent Adviser
Jane Matthews	(JM)	Head of Financial Reporting and Control
Stuart Silcox	(SS)	Assistant Director of Integrated Governance
Paul Veysey	(PV)	Board Secretary and Head of the Board Business Unit
Kathryn Watts	(KW)	Audit Wales
Jan Williams	(JW)	Chair of the Board
Steve Wyndham	(SW)	Audit Wales

Apologies:		
Mohammed Mehmet	(MM)	Non-Executive Director
Angela Williams	(AW)	Deputy Director of Finance
Secretariat		
Andrew Morton	(AM)	Board Support Officer
The meeting commenced at 09:02		

ACGC 1/2023.07.12 Welcome and Apologies for Absence	
<p>NE opened the meeting and welcomed all present, noting that this meeting was held electronically and in person at CQ2.</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 September 2023.</p> <p>The apologies for absence received were noted.</p>	
ACGC 2/2023.07.12	Declarations of Interest
<p>Executive and Non-Executive Directors declared an interest in agenda item 3.4 Draft Remuneration report 2022-23.</p>	
ACGC 3/2023.07.12	Year End Reporting / Annual Financial and Governance Statements
ACGC 3.1/2023.07.12	Head of Internal Audit Opinion and Annual Report 2022/23
<p>PD presented the finalised Head of Internal Audit Opinion and Annual Report 2022/23, which had been updated with the recent Audit Reports from the draft version at the May 2023 meeting; he confirmed that Public Health Wales received an overall reasonable assurance.</p> <p>The Committee noted the timeliness of returning the management responses to Internal Audit to finalise the reports, which was referenced within the report as a key performance indicator at an amber rating. HG noted that due to some staff appointments there had been delays in the last few months, and noted the executive scrutiny and assurance process ensured a collective organisation response.</p> <p>LB noted ongoing engagement with PD through regular meetings, and agreed to follow up any delays in the coming year to address this.</p> <p>The Committee considered two final Internal Audit Reports from the 2022/23 work plan that had completed since the last meeting and formed part of the annual opinion for the 2022/23 year:</p> <ul style="list-style-type: none"> • Risk Management (Reasonable Assurance) • Information Provision (Reasonable Assurance) <p>The Committee noted the Knowledge, Research and Information Committee had approved the Digital and Data Strategy for the Organisation and the Knowledge Directorate were progressing actions detailed in the Information Provision Report.</p> <p>NE thanked PD for the update on the report.</p>	

**ACGC 3.2/
2023.07.12****Audit Wales Annual Opinion (including
ISA 260) /**

The Committee **considered** the Audit Wales Audit of Accounts 2022/23 and Structured Assessment Report 2022.

SW advised the Committee that Audit Wales intended to issue an Unqualified Audit Opinion to Public Health Wales; the accounts would be submitted to the Board meeting on 27 July 2023, and the Auditor General would certify the accounts on 31 July 2023 subject to approval by the Public Health Wales Board.

SW discussed areas of the accounts that had changed since the Committee received the draft Report at its last meeting:

- Paragraph 6. The receipt and checking of the revised financial statements were all satisfactory.
- Assurance statements from the District Valuer and from the NHS Pensions Agency were outstanding, however were expected before 31 July 2023.
- The internal file review continued and would be completed by 31 July 2023; no issues had been identified.
- Appendix 1 contained a template letter to be completed and returned to Audit Wales to support the approval process and Auditor General certification.
- Appendix 2 contained the copy of the proposed Audit Report.
- Appendix 3 detailed the list of the audit adjustments made to the accounts, none impacted on the final position of the Organisation and classification adjustments amounting to £5.8m were explained.
- Appendix 4 showed four recommendations which resulted from the audit work and suggested improvements to closing arrangements at year end:
 - Stock count arrangements.
 - Declaration of Interest arrangements.
 - Improvements to payroll expenditure.
 - Improvements to classification issues.
- The recommendations had been discussed and accepted by staff at Public Health Wales.

The Committee took assurance that the reclassification totalling £5.8 million was not of concern it was a total of a number of reclassifications from payables to accruals and not a single item being reclassified. The Committee received assurance that processes were in place to ensure these reclassifications would not occur going forward.

The Committee asked for clarification of the Audit Wales recommendation concerning stock count arrangements. SW confirmed the auditing standards required Audit Wales staff to attend to observe a stock count where the stock was material, and that the Organisation should have robust plans in place to accommodate this. The Finance Division assured the Committee that a stock

management financial control procedure was in development and Directorate training would follow. Directorates would be responsible for completing stock counts at the request of the Finance Division and where Audit Wales request to attend a stock count, Finance staff would accompany them.

The Committee asked for the recommendation regarding the administration and governance of Payroll be referred to the People and Organisational Development Committee.

Action: PV

The Finance Team thanked Audit Wales for their regular meetings throughout the work which had allowed the delivery of all documentation to ensure certification of accounts.

AB then presented the Audit Wales Structured Assessment 2022, which was a positive report, with some areas identified to further improve the governance arrangements. The management responses had been submitted to Audit Wales and the finalised report with these responses would be submitted for the Committee to review, and the actions would be added to the Audit Tracker for the Committee to monitor the implementation.

The Committee noted the audit report made no mention of the new auditing standard ISA 315. In recognition of the significant change the Organisation were advised about, the increase in fees and the expected increases in workload for both Audit Wales and PHW it was noted that there was no reference to this within the report.

Audit Wales thanked the Committee for the feedback and would consider this for other Audit Reports. The Committee were assured by Audit Wales and Finance Team representatives that the new processes worked well.

JW noted that Public Health Wales had a limited amount of Strategic Capital and with lack of certainty over future funding, building strategic plans is challenging and added that many of Public Health Wales services operate out of Health Board managed estates which are out of the Trusts control. JW also emphasised that the Board considers matters relating to estates as part of the IMTP. HG advised the Committee a paper would be presented to Board in September which would detail a strategic approach to capital including bids from the IMTP, and estates.

NE thanked Audit Wales for the update.

**ACGC 3.3/
2023.07.12**

**Draft Annual Financial Statement and Accounts
2022/23**

The Committee considered the draft annual statement and accounts 2022/23. HG advised the Committee the revised accounts showed all the adjustments

made following extensive review and auditing as discussed in the previous item.

The report confirmed:

- The adjustments recommended by Audit Wales have been actioned.
- An £85,000 underspend for the year was recorded.
- The Organisation met its financial statutory duty.
- The Organisation achieved its administrative duty in terms of creditor payment.

HG thanked Audit Wales on behalf of the Financial Team for the support and open communication in preparing the Accounts and recommended the Accounts for approval.

**ACGC 3.4/
2023.07.12**

Draft Accountability Report 2022/23

The Committee **received** the draft Accountability Report.

The draft Accountability Report had been submitted to Welsh Government and Audit Wales for comment and review in May. Their comments had been incorporated in the draft report, the cover report included a summary of the changes made to the Annual Governance Statement.

The Remuneration Report included adjustments to salaries of members of staff where their pay had been calculated in a different way. There were also minor changes to the table reporting the prior year figures.

**ACGC 3.5/
2023.07.12**

For Recommendation to the Board

The Committee:

- Took **assurance** from the Head of Internal Audit Opinion for 2022/23 (Item 3.1)
- **Recommended** the Financial Accounts and the Audit Wales Annual Opinion (ISA 260) to the Board for approval. (Item 3.2 and 3.3)
- **Recommended** the Accountability Report 2022/23 for Board approval. (Item 3.4)
- **Noted** that once approved by the Board, the Accounts and Accountability Report 2022/23 would be submitted to Welsh Government by 28 July 2023.

**ACGC 4/
2023.07.12**

Items to Note

The Committee **noted** the Committee workplan.

**ACGC 5/
2023.07.12**

Closing Administration

The next meeting would be held on Tuesday 19 September 2023.

The Committee **noted** all other papers would be published, apart from the draft Accounts and Accountability report which would be published for the Board meeting.

NE thanked everyone for their contributions and closed the meeting.

The meeting closed at 09:50

Confirmed