

**Unconfirmed Minutes of the Public Health Wales
Audit and Corporate Governance Committee Meeting
9 May 2024 at 10:05, in 3.4 CQ2 and via Microsoft Teams**

Part A

Present		
Nick Elliott	(NE)	Committee Chair and Non-Executive Director
Mohammed Mehmet	(MM)	Non-Executive Director
Tamsin Ramasut	(TR)	Non-Executive Director
In Attendance:		
Olivia Angilley	(OA)	Trainee Finance Graduate
Anne Beegan	(AB)	Audit Wales
Liz Blayney	(LB)	Deputy Board Secretary and Board Governance Manager
Andrea Calise	(AC)	Audit Manager, NHS Wales Shared Services Partnership
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 and Director of Operations and Finance
Clare Jenkins	(CJ)	Vice Chair of the Board and Non Executive Director
Alun Lloyd	(AL)	Independent Adviser
Gareth Lucey	(GL)	Financial Audit Director, Audit Wales
Jane Matthews	(JM)	Head of Financial Reporting and Control
Stuart Silcox	(SS)	Assistant Director of Integrated Governance
Molly Simmonds	(MS)	Trainee Finance Graduate
Paul Veysey	(PV)	Board Secretary and Head of the Board Business Unit
Apologies		
Claire Birchall	(CB)	Interim Executive Director for Quality, Nursing and Allied Health Professionals
Angela Williams	(AW)	Deputy Director of Operations and Finance
Jan Williams	(JW)	Chair, Public Health Wales
The meeting commenced at 10:05		
ACGC 1/2024.05.09 Welcome and Apologies for Absence		
NE opened the meeting and welcomed all present, noting that the meeting was held electronically and in person at CQ2.		
The Committee noted that the meeting was being recorded to support with accuracy of the minutes, and that the recording would be deleted once the minutes had been agreed at the next meeting in July 2024.		
The apologies for absence were recorded from CB, AW and JW.		

ACGC 2/2024.05.09	Declarations of Interest
Executive and Non-Executive Directors declared an interest in agenda item 3.1 Remuneration Report 2023-24.	
ACGC 3/2024.05.09	Annual Report
ACGC 3.1/2024.05.09	Accountability Report
<p>The Committee considered the Draft Annual Governance Statement and the Draft Remuneration Report 2023 – 2024.</p> <p>PV informed the Committee the draft Accountability Report comprised three sections, the Corporate Governance Report, the Remuneration and Staff Report and an Parliamentary Accountability Report (provided separately in July).</p> <p>He outlined the timetable for the Reports, they would be submitted in draft form to Welsh Government and to Audit Wales for review. The auditors would provide an opinion which would be submitted alongside the final accounts to the Committee and Board meeting in July for approval.</p> <p>The Committee enquired regarding the continued inclusion of provision for the COVID-19 Public Inquiry Sub Group on the Committee Structure and were informed as the Inquiry proceeded module by module, the sub group would be required for the next few years until at least 2026. The Terms of Reference allowed the COVID-19 sub-group to make delegated decisions on behalf of the Board and that regular updates were provided at Private Board Meetings.</p> <p>The Committee enquired if Board Assurance Framework discussions with Audit Wales had concluded with a satisfactory Framework. AB informed the Committee that discussions with Audit Wales had resulted in an arrangement with components which provided the necessary assurance and Audit Wales would continue to monitor its use.</p> <p>JM drew the Committee’s attention to areas in the Remuneration and Staff Report where final figures were awaited from the NHS Pensions Authority.</p> <p>The Committee received the Draft Annual Governance Statement and the Draft Remuneration Report and recommended their submission to Welsh Government and to Audit Wales in line with requirements and the Manual for Accounts.</p>	
ACGC 3.2/2024.05.09	Annual Financial Statements
<p>The Committee considered the Annual Financial Statement.</p> <p>HG informed the Committee the accounts were submitted to Welsh Government and to Audit Wales on 3 May 2024, that all statutory targets had been achieved in the financial year and there was nothing unusual to bring to the Committee’s attention this year. HG asked Committee members to get in touch with him or anyone from the Finance Team</p>	

if they had any questions or concerns about the Annual Accounts between now and July when they would be presented for final approval.

JM presented an overview of the Annual Accounts to the Committee; the preparatory work had commenced in March, with the Audit work commencing on 7 May with an estimated completion date on 5 July 2024, Audit and Corporate Governance Committee and Board Meetings scheduled in July for recommendation and approval of the final accounts to be submitted to Welsh Government before the deadline on 31 July 2024.

All key targets were met in the financial year and the Organisation had reported a surplus of £51,000. The NHS Executive, a hosted body, has reported a break-even position. The Organisation's latest Integrated Medium Term Plan was approved last September by the Minister for Health and Social Services and remained valid until the 2025/26 financial year.

JM highlighted that Income has increased by 1% to £3.29m resulting from:

- Pay award funding for Medial and Dental and Executive Senior pay (£7.338m).
- Bowel Screening Optimisation (£3.363m).
- Transfer of Delivery Unit to NHS Executive (£2.448m).
- Savings returned to Welsh Government (£4.878m).
- Reduction in COVIC-19 funding (£3.856m).
- No free of charge stock received resulting in a reduction of income (£1.435m).

Operating expenditure had increased by £4.457m (2%) due to:

- Staff cost increases (pay awards, increase in staffing resultant from the establishment of the NHS Executive (£12.219m).
- Increase of Consultancy Services (£0.728m).
- Decrease in COVID non-pay costs (£3.618m)
- Decrease in Supplies and Services mainly due to a decrease in Voluntary Hospice Funding within the NHS Wales Collaborative (£3.592m)
- Decrease in impairments linked to the quinquennial estates revaluation exercise (£1.224m)

Other items noted by JM were the decrease in property, plant and equipment (£2.059m), the reduction in stock inventory (£0.997m) and a reduction in the value of overall provisions due to a reduction in the value of clinical negligence cases (£1.313m).

The formation of the NHS Executive on 1 April 2024, and hosted by the Public Health Wales resulted in **additional core** allocation of £2.448m from the Welsh Government, and transfers of current liabilities and assets from those previous bodies which had merged to form the NHS Executive.

The Finance Team had addressed the Audit Findings from the year 2022-23 to prepare the accounts for the year 2023-24:

- A guidance checklist was prepared and incorporated into the process for preparing the payables note, in relation to non-NHS payables and accruals.
- Regular remuneration reviews had been undertaken to pick up errors in a timely manner.



- Improvements to the Welsh Government issued accounts template included new formulas for notes and additional validations for the cash flow statement.
- Discussion concerning income classification were undertaken at an early stage (for Hosted Bodies).
- Consistency was achieved for reported values of short term leases and low value asset leases in notes 9 and 13.3.
- Clarification was provided to ensure redeclaration of interests by Directors and Non Executive Directors.

The Committee asked for clarification regarding the responsibility for Hosted Bodies producing their own accounts. HG confirmed that Hosted Bodies accounts were integrated into the accounts of Public Health Wales as a separate line on income and footnotes were included where necessary for clarity.

The Committee were informed that the IMTP strategy had been taken into consideration that income from interest would be available to use and that was included as a part of the investment plan for the year ahead.

The Committee asked if some lines on the segmented reporting had moved. HG agreed to review the issue raised and respond and include the Non-Executive Directors into the correspondence.

Action: HG/JM

The Committee asked for clarification concerning the increase in consulting costs, HG confirmed these costs resulted from individual pieces of Discovery work undertaken for the Digital review.

The Committee **considered** the Draft Accounts and **noted** they were submitted to Audit Wales and Welsh Government on Friday 3 May 2024.

ACGC 4/2024.05.09	Internal, External and Clinical Audit
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ACGC 4.1/2024.05.09	Audit Recommendations Tracker
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The Committee **considered** the Audit recommendations tracker and report.

LB provided the Committee with the current position of the progress and implementation of management actions arising from Internal and External Audit recommendations. The Audit Tracker Register was reviewed on a quarterly basis by the Leadership Team who were responsible for closing actions, approving extensions and ensuring the progress of implementation. The Tracker was submitted to this Committee on a quarterly basis for Assurance.

The Committee asked about Action 447. LB informed the Committee the Action was aligned to the development of a Governance Hub and the Action had been granted an extension to accommodate timescales agreed to implement the Hub.

The Committee asked about the granting of extensions by the Leadership Team. LB assured the Committee that extensions were approved following detailed discussions. Leadership Team had discussed the need to ensure realistic timescales were agreed

within the Audits. Work slippage or scope changes were also noted as a factor in several of the changes of dates.

SS confirmed that, as Chair of Leadership Team, the Leadership Team scrutinise each Audit request recommendation before agreeing any extensions. He noted the key to ensure a more realistic time scale for Audit recommendations was at the drafting stage of any Internal or External Audit Report and noted the practicalities and impact of recommendations should be considered thoroughly before the actions were signed off at a management level.

The Committee took **assurance** that Audit Recommendation actions were being managed effectively by the Leadership Team.

**ACGC 4.2/
2024.05.09**

Internal Audit

The Committee **considered** the Internal Audit Progress Report.

Internal Audit Progress Report

PD advised the Committee that work had progressed well since the last meeting, three final Internal Audit reports were submitted to Committee and on the agenda today.

Internal Audit Final Reports

Population Health Grants

The Committee **considered** the Population Health Grants Final Internal Audit (substantial assurance).

AC informed the Committee this follow up report had been given a substantial rating and testing had confirmed that all previously raised concerns had been fully implemented by management.

The Committee **noted** the Population Health Grants Final Internal Audit Report.

Appraisal Process Public Health Consultants

The Committee **considered** the Appraisal Process Public Health Consultants Final Internal Audit (reasonable assurance).

AC drew the Committee's attention to the only high priority recommendation which related to weaknesses in the job plans.

The Committee **noted** the Appraisal Process Public Health Consultants Final Internal Audit Report.

Committee Work Planning

The Committee **considered** the Committee Work Planning Final Internal Audit (substantial assurance). The Report contained two minor, low priority recommendations.

The Committee **noted** the Committee Work Planning Final Internal Audit Report.

Draft Head of Internal Audit Report Opinion

The Committee considered the Draft Annual Report and Opinion.

The Opinion was of overall reasonable assurance which demonstrated that arrangements to secure governance, risk management and internal control for the areas reviewed were suitably designed and applied effectively across the Organisation.

The Committee drew some minor errors to the attention of PD, notably the term Independent Members had been used in place of Non-Executive Directors, on page 9, third paragraph, the substantial assurance and reasonable assurance reports had been erroneously totalled. PD agreed to make these corrections before submitting his final report.

Action: PD

The Committee **noted** the Draft Annual Report and Opinion Report.

Draft Internal Audit Work Plan for 2024/25

The Committee **considered** the Internal Audit Workplan 2024/25.

PD informed the Committee of revisions undertaken on the Workplan following its presentation to the Committee at the March meeting and reported that the Workplan had subsequently been discussed by the Business Executive Team. He emphasised that that he would remain flexible through the year ahead and change or amend the Workplan where necessary.

The Committee **approved** the Internal Audit Workplan 2024/25.

NE thanked PD and AC.

	Break
ACGC 4.3/ 2024.05.09	External Audit

The Committee **considered** the Audit Wales Plan.

GL introduced the External Audit Plan for 2024 noting it was a standard document summarising at a high level the plans set out by Audit Wales for the year ahead.

The five financial audit findings were reported on pages 9, 10 and 11 of the Plan, and these areas would provide the focus for audit work for the year 2024/2025. The Financial Audit schedule, shown on page 12, was on track with Steven Wyndham (Audit Manager) and Kathryn Watts (Audit Lead).

AB introduced the Performance Audit section of the Plan and asked the Committee to note an error on page 13, the dates for the Structured Assessment were 2024 dates, and

should read: Fieldwork to commence between June and August 2024 with reporting by the end of October 2024.

Highlighting the Digital Deep Dive, she noted this had been included in the plan for the previous year, but it had been deferred to this year and field work would commence as soon as possible. The Local Project work was being finalised and would be reported to the Committee in the next Audit Wales Update.

Action: AB

GL concluded the presentation and drew the Committee’s attention to the table of fees shown on page 15 and noted that this was an estimate and the final fee might reflect savings found under ISO315 standards.

The Committee **noted** the Audit Wales Plan.

The Committee **considered** the Audit Wales Update (May).

AB introduced the Audit Wales Update and noted that the content had been covered in discussions on the Audit Plan. AB drew the Committee’s attention to staff sickness which had resulted in delay to some work and AB was working to provide new dates to the Committee for consideration.

The Committee asked AB to include Sumina Azam in the Well-being Objectives and Future Generation work. AB Agreed.

Action: AB

The Committee **noted** the Audit Wales Update.

NE thanked GL and AB for the Audit Wales Plan and the Audit Wales Update.

ACGC 5/2024.05.09

Governance and Accountability

**ACGC 5.1/
2024.05.09**

Minutes 19 March 2024, Action Log and Matters Arising

The Committee **considered** the Minutes and Action Log of the meeting held on 19 March 2024.

The Committee:

- **Approved** the minutes of the meeting on 19 March 2024, as an accurate record of the meeting.
- **Approved** the closure of three completed actions on the Action Log.

**ACGC 5.2/
2024.05.09**

Information Governance Assurance Update

The Committee **considered** the Information Governance and Records Management Performance Report.

SS presented the report to the Committee, providing updates on:

- Integrated Governance.
- Records Management.



In relation to Freedom of Information requests (FOIs), SS highlighted the slight improvement on response times, however further improvement was still needed. A similar position was reported with Single Access Requests and with Data Breach Investigations. SS informed the Committee he would be using the Leadership Team to escalate and inform Directorates and Divisions concerning the priorities needed to deal with FOI requests. A similar procedure would be employed with the network of Information Asset Owners.

On data breaches, SS noted that one data breach had been reported at the Private Session in more detail, and there were six other breaches in the reporting quarter. On Statutory and Mandatory Information Governance Training, SS indicated that a scheduled a training session for Non-Executive Directors to support completion of this module and improve the compliance figures for Board and Corporate.

The Committee asked if examples of data breaches which had occurred were used for staff training. SS confirmed that this information was used, in a redacted form, to ensure that staff learned how incidents occurred and how a repetition could be avoided. Nine cases in ten resulted from the attachment of personal information to e-mails, and he reminded the Committee that using SharePoint was a much more secure method of sending files which contained personal information.

SS informed the Committee he would present a detailed report concerning Records Management.

The Committee took **assurance** from the Information Governance Performance Report and that the Records Management SharePoint Implementation Programme was on track with the implementation plan.

**ACGC 5.3/
2024.05.09**

Policies for Approval

The Committee received policies for Approval:

- E-mail Acceptable use (to replace an existing All-Wales Policy)
- Internet Acceptable use (to replace an existing All-Wales Policy)
- Records Management (a new Policy)

SS informed the Committee the process which individual policies followed before coming to this Committee for approval. The Information Governance policies were reviewed by the Information Governance team within the context of the National All-Wales policies. The individual policies were supplemented by their respective procedures to help staff comply with the policies.

The Senior Information Risk Officer and the Informatics Team consulted with Information Asset Owners and prepared a consultation draft policy, procedure and associated assessments. They were then uploaded to the Consultations Database to allow everyone in the Organisation to review and comment upon before the drafts were taken to Leadership Team for final endorsement to Audit and Corporate Governance Committee for final approval.

The Committee thanked SS for his detailed explanation and took assurance that a robust and appropriate process had been followed in line with policy.

The Committee noted that e-mails were not the only form of messaging platform used by staff and asked if the Organisation had a policy, or the intent to put a policy in place, for the use of other messaging platforms. SS confirmed the intent of the Organisation to implement such a policy and discussions had confirmed the need to prepare a single policy which encapsulated how the Organisation governed the movement of personal information, the development of an electronic communication policy was suggested.

The Committee asked for clarification regarding the ancillary documents for the Records Management Policy. SS explained the Policy ensured compliance with Data Protection Legislation and the Lord Chancellor's Code of Practice on Records Management, and the procedure contained the information which detailed how the Organisation fulfilled the requirements.

The Committee **approved**:

- The new Public Health Wales e-mail Acceptable use policy
- The new Public Health Wales Internet Acceptable use policy
- The Records Management policy

The Committee **approved** withdrawal of:

- The All-Wales e-mail use policy
- The All-Wales Internet Acceptable use policy

ACGC 6/2024.05.09	For Recommendation to Board
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ACGC 6.1/2024.05.09	Standing Orders and Schemes of Delegation
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The Committee **considered** the Standing Orders Cover Report and the Standing Orders and Scheme of Delegation.

The Organisation was required to review its Standing Orders annually. The Model Standing Orders 2024 were issued by Welsh Government and reflected the establishment of the Joint Commissioning Committee. They were reviewed and a summary of proposed changes was provided within the Cover Report.

The Committee noted the requirement in the Standing Orders for the Organisation to have a Charitable Funds Committee. JM informed the Committee the Organisation had Charitable Funds, they were managed by the Velindre NHS Trust and the funds were not included in the Organisation's ledger as they were managed on our behalf.

The Committee asked to have sight of these funds at an Audit and Corporate Governance Committee meeting at least once a year. HG agreed to bring the report to the Committee at year end, and noted the Year End for Velindre NHS Trust might not coincide with that

The current balance of the fund was believed to be under £100,000, and a schedule and list of transactions during the year would be presented to the Committee.

Action: HG



The Committee **considered** the proposed revisions to Standing Orders and Reservations and Delegations of Powers and **recommended** the proposed changes to the Board for adoption.

ACGC 6.2/2024.05.09 | Board Assurance Framework

PV provided a verbal update to the Committee concerning the Board Assurance Framework; the Framework was approved by the Board in November 2023 with a commitment to review it annually which had been completed in May to coincide with the review of other key governance documents. The proposed changes were being discussed with the Executive Team on 15 May, and were minor to add in elements to the assurance map that had been identified as part of the review the Committee Work plans.

The Committee **considered** and **noted** the verbal update regarding the Board Assurance Framework.

ACGC 6.3/2024.05.09 | Committee Reports

LB presented the annual Committee Reports and explained the approval process which followed submission to this Committee.

Committee Annual Report

The report summarised the work of the Committee in the year 2023/2024, providing assurance to the Board and fulfilling the Committee’s Terms of Reference. The report was the extracted Audit section from the combined Committees Report to Board.

Committee Workplan 2024/2025

The Workplan summarises the audit workplan for the next 12 months, elements from the Cross Committee work and the Board Assurance Framework had been incorporated in to the Workplan.

Terms of Reference

The Terms of Reference included minor changes to ensure consistency across the Committees and Tracked Changes were included for reference.

Committee Effectiveness Survey

The recommendations drawn from the Board Workshop had been collated and would be taken forward to the Chairs Working Group and the Committee would be updated when any changes were made.

The Committee thanked LB for the reports and found the new format Annual Report more succinct and easier to follow.

The Committee queried the summary of Internal Audits, which differed from that within the Internal Audit Annual Report. LB explained that the report summarised those that had been received in year, whereas the Audit report summarised those received as part

of the 2023/24 plan. Some of the Audits from last years Audit Plan were presented in May 2023, and as such were included within this Annual report.

The Committee **approved** the:

- Committee Annual Report and agreed to **recommend** to Board
- Committee Workplan 2024/2025 and agreed to submit to Board for **assurance**.
- Committee Terms of Reference and agreed to **recommend** to Board for **approval**
- Committee Effectiveness Survey and results and agreed to submit to Board for **assurance**.

ACGC 6.4/2024.05.09	NHS Executive Service Provision Documents and Assurance Schedule
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PV gave a verbal update to the Committee concerning the NHS Executive Service Provision Documents and Assurance Schedule.

PV informed the Committee that an addendum to the NHS Executive Hosting Agreement was approved in March 2024, and included a commitment between the NHS Executive and Public Health Wales to jointly develop and agree service provision documents before the end of May 2024. The purpose of this was to clarify the hosting services provided by Public Health Wales Directorates in accordance with the Hosting Arrangements.

In addition, the schedule required the NHS Executive to provide assurance against all areas of governance to the Committees and Board of Public Health Wales which aligned to the assurance framework used at Public Health Wales.

Discussions were at an advanced stage to finalise this documentation, the intention was that this would be presented to the Board at its meeting on 30 May 2024.

The Committee **considered** and **noted** the verbal update.

ACGC 7/2024.05.09	For Information
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ACGC 7.1/2024.05.09	Finance, Procurement and Counter Fraud
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None

ACGC 7.2/2024.05.09	Internal, External and Clinical Audit
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None

ACGC 7.3/2024.05.09	Managing Risk
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The Committee **noted** the full Strategic and Corporate Risk Registers.

The Committee raised concerns about two time frames which were quoted in AP 2.2 and AP 3.3. SS agreed to review.

Action: SS

The Committee noted an inconsistency in the formatting of reporting updates, some were chronological reading down, some were formatted in reverse chronological reading up. SS agreed to address this.

Action: SS



ACGC 7.4/2024.05.09	Governance and Accountability
None	
ACGC 7.5/2024.05.09	Committee Work Plan
The Committee noted the Committee Work Plan which was discussed earlier in the meeting (Item 6.3).	
ACGC 8/2024.05.09	Closing Administration
Date of next Committee meeting: 10 July 2024	
The Committee was asked to e-mail feedback on the meeting to LB.	
Any Other Business	
NE thanked everyone for their contributions and closed the meeting.	
The meeting closed at 11:55	

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