

**Unconfirmed Minutes of the Public Health Wales
Audit and Corporate Governance Committee Meeting
19 March 2024 at 14:00, in 3.3 CQ2 and via Microsoft Teams**

Present		
Nick Elliott	(NE)	Committee Chair and Non-Executive Director
Mohammed Mehmet	(MM)	Non-Executive Director
Tamsin Ramasut	(TR)	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
Andrea Calise	(AC)	Contract Principal Auditor, NHS Wales Shared Services Partnership
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
Danielle Gething	(DG)	Head of Risk Management
David Heyburn	(DH)	Head of Operations, Infection Services (for item 4.1.2)
Jonathan Jones	(JJ)	Lead Cyber Security Manager (for item 6)
Meng Khaw	(MK)	National Director of Health Protection Services and Screening Services, Executive Medical Director (for item 4.1.2)
Neil Lewis	(NL)	Director of People and OD (for item 7)
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
Angela Williams	(AW)	Deputy Director of Operations and Finance
Jan Williams	(JW)	Chair, Public Health Wales
Steve Wyndham	(SW)	Audit Wales
The meeting commenced at 14:00		
ACGC 1/2024.03.19 Welcome and Apologies for Absence		
<p>NE opened the meeting and welcomed all present, noting that the 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 the recording would be deleted once the minutes had been agreed at the next meeting in May 2024.</p> <p>There were no apologies for absence.</p>		

ACGC 2/2024.03.19	Declarations of Interest
There were no declarations of interest in addition to those already declared on the Declarations of Interest Register.	
ACGC 3/2024.03.19	Internal, External and Clinical Audit
ACGC 3.1/2024.03.19	Audit Recommendations Tracker
<p>The Committee considered the Audit recommendations tracker and report.</p> <p>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.</p> <p>The Committee considered Action 553 suggesting that all Non-Executives meet periodically. LB advised the Committee that this was being considered and an approach being determined. The Committee Chairs had begun to meet regularly and proposals were being developed to bring all Non-Executives together for peer group meetings. JW reminded the Committee that the Public Health Wales Board was a Unitary Board, and one which made collective decisions. As Chair of the Board, it was her remit to run the Board on the unitary board governance model, and she urged caution of any separation of meetings that would impede this model.</p> <p>PV explained the recommendation arose from a peer-based support approach and not to additionally discuss Board business. It was designed to promote learning between non-executives, and through the Committee Effectiveness programme it was suggested the appropriate balance would be found with effective Chair's support. The Committee supported this approach.</p> <p>The Committee asked for information concerning the additional delay to Action 447 which related to improvements to the EHIA process. PV noted that legislation currently under development which would impact on the approach, and he referenced the proposals to develop a new governance hub through which the EHIA process would be embedded and strengthened in line with the recommendations.</p> <p>The Committee asked that future Audit Tracker papers submitted to the Committee indicated the source of each action for ease of reference.</p> <p>Action: LB/PV</p> <p>PD acknowledged the high degree of scrutiny for internal and external audit recommendations, which was positive in ensuring recommendations were addressed and embedded by the organisation.</p> <p>The Committee took assurance that Audit Recommendation actions were being managed effectively by the Leadership Team.</p>	

**ACGC 3.2/
2024.03.19**

Internal Audit

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

PD advised the Committee that work had progressed well since the last meeting, two reports were submitted to Committee and on the agenda today, and one report was in draft form and work was field work was in progress on four reviews. He explained that some work had been delayed because of staff illness and movement of staff within his team.

The Committee asked for clarification regarding the delays in publishing work undertaken which meant work for the current year was moved in to next year. The Committee considered a rolling programme of Audit work to utilise resources more efficiently. NE asked for discussions to develop robust and well paced work plan for the year ahead. The Committee agreed a change in the approach to work planning was necessary to avoid the repetition of delayed reports and movement of work in the year ahead.

Action: PV/HG/PD

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

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

The Committee asked how internal and external audit work was coordinated to avoid unnecessary duplication of resources and to complement the work of both teams. PD confirmed that he liaised with Audit Wales when developing work plans to avoid duplication, noting that the plan remained flexible and adapted in year as necessary.

AB confirmed that Audit Wales were sighted on the work of Internal Audit, and that Work plans were also developed in parallel with their work on all-Wales NHS audits.

The Committee discussed the volume of reports presented in the last quarter of the plan this year, and considered how this could be avoided in future years.

PV informed the Committee the Business Executive Team had discussed the Draft Internal Audit Work Plan at its meeting on 6 March. PD attended the meeting to present the Workplan and noted the comments made. It was agreed the revised draft Workplan would be presented to the Audit and Corporate Governance Committee meeting today for discussion and the final version would be presented for approval at the Committee's meeting in May.

The Committee asked that the draft plan be reviewed to ensure clear scope and reflect the input of the Executive Team. PD agreed that details would be refined and included in the final Workplan and presented to the Committee in May.

Action: PD

The Committee discussed the scope of the proposed Records Management Audit in 2024/25; SS advised that the audit proposed was of the project management system and the process to set up the new system and this would be delivered by the end of Quarter 3.

The Committee **noted** the Internal Audit Workplan 2024/25 and the action agreed to review and resubmit for consideration at the Committee's next meeting.

Welsh Risk Pool

The Committee **considered** the Welsh Risk Pool Internal Audit (substantial assurance).

The Committee asked for further information on why the Organisation had missed the deadline for reporting to the Welsh Risk Pool and asked for an explanation to be brought to the Committee.

Action: SS

The Committee **noted** the Welsh Risk Pool Internal Audit Report.

The Committee **considered** and noted the Work Programmes Internal Audit (reasonable assurance).

NE thanked PD.

**ACGC 3.3/
2024.03.19**

External Audit

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

AB informed the Committee the Audit Wales plan would be presented to the Committee in May, setting out the performance audit plans for the year 2024/2025. The plan would include Structured Assessment, and the Digital Deep Dive that had been delayed from this year's plan. Two areas of work were in progress, Review of the Trust's setting Well-being Objectives and a Deep Dive of the Structured Assessment.

The Audit work on Financial Efficiencies would be brought to the Committee at the July meeting and the results would be shared with the Board before the draft Report was issued.

The Committee again expressed disappointment at the deferment of the Digital Deep Dive Audit in favour of the Financial Efficiency work. AB explained the reason for the delay and explained the field work would be undertaken in the summer with the report being the first to be presented in the year 2024/25.

The Committee asked how the Digital Deep Dive would take in to account the variances in spend on digital investment in Wales compared to other nations. AB informed the Committee that she would share that information with the Committee after the meeting.

Action: AB

The Committee commented that the Organisation was in a different financial position to Health Boards and was concerned that the same Framework was being used for all NHS bodies in Wales for the Financial Efficiencies work and asked that Public Health Wales' break even position be reflected in the review AB assured the Committee that

the draft report would be shared prior to publication and the position would be considered at that meeting.

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

The Committee **received** the Auditor General letter.

SW drew the Committee's attention to the deadline included in the letter for audit certification by 15 July and the increase in cost of fees by 6.4%. The Committee noted that Public Health Wales had received an increase only for the increased cost of wages and did not receive an additional 3.67% uplift which Health Boards had received.

The Committee **noted** the Auditor General letter.

PV informed the Committee that a provisional date had been booked for a meeting to approve the annual report which was dependent on confirmation of submission date by Welsh Government.

NE thanked AB and SW for the report and the letter.

ACGC 4/2024.03.19	Finance and Procurement
ACGC 4.1/2024.03.19	Losses and Special Payments
ACGC 4.1.1/2024.03.19	Losses and Special Payments Report

The Committee **considered** the Losses and Special Payments Report covering the period 1 April 2023 to 29 February 2024. The report showed the figures were comparable to previous years.

JM informed the Committee the £207,000 write offs recorded in the paper had been approved by Welsh Government at the time of writing, and approval for an additional £46,000 had been sought.

The Committee **noted** and took **assurance** that all losses and special payments had been made in accordance with the requirements of the Standing Financial Instructions.

ACGC 4.1.2/2024.03.19	Disposal of Out of Date COVID Testing Equipment
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The Committee **considered** the Disposal of Out of Date COVID Testing Equipment. Paper.

MK advised that the level of SARS CoV-2 sequencing dropped significantly in a short period of time, resulting in the closure of the Lighthouse Lab in Newport. An increase in Multiplex testing in the Hot Labs used different reagents to those used for COVID testing and resulted in the inability to reuse the reagents purchased for COVID testing.

The Committee asked if Wales was the only country to write off large amounts of obsolete stock and were told that other countries in the United Kingdom were also in a similar position. .



A new stock management system has been developed which would support the process in future and provide a forward look to forecast any likely upturn or downturn in demand for efficient stock management.

The Committee took **assurance** that the write off of obsolete stock had been approved in accordance with the Financial Scheme of Delegation and noted that the Organisation was waiting for approval for the write off of the remaining £46,000 from Welsh Government.

**ACGC 4.2/
2024.03.19**

Procurement Report

The Committee **considered** the revised Procurement Report for 1 September 2023 to 31 December 2023. The report was initially received at the Committee Meeting in January 2023 when a number of concerns were highlighted by JM and AW. Their concerns had been resolved by the Procurement Team at Shared Services.

AW and JM informed the Committee the perceived inaccuracies reported to the Committee at the January meeting were in Table 3.1, some of the numbers of Single Tender Actions and Single Quotation Actions had been queried and further analysis was required to show how this reconciled to the table in section 2.2. The report had been clarified with the addition of a column indicating the number of combined purchase orders raised which, additionally, contributed to the overall percentage calculations.

The Committee took **assurance** that procurement activity was undertaken in line with the requirements of the Standing Financial Instructions (SFIs). The Committee **approved** the new format of the Report.

The Procurement Report for the period from January to end of March would be brought to the May Committee meeting.

Action: AW/JM

**ACGC 5/
2024.03.19**

Cyber Security

The Committee **considered** the Cyber Security Assurance Report, the Cyber Security Assessment and the reported Findings (DHCW).

The Committee expressed concern regarding the delay in bringing the Report to the meeting. DJ explained the delay in presenting this Assessment and the findings to the Committee was the result of the resolution of factual errors, presenting the update to the Improvement Plan at the last meeting and the appointment of the new Lead Cyber Security Manager (JJ) to the Organisation.

DJ noted that some of the improvements included in the plan had already been included in the improvement plan. Monthly meetings of the Cyber Resilience Unit (CRU) ensured that the Findings Log was updated and progress against the assessment was checked.

The Committee noted the different views expressed by the Organisation and the Auditors and asked for an explanation. DJ drew the Committee’s attention to the following omissions within the report conclusions:

- That Cyber Security was discussed regularly at Board meetings and related Cyber items on this Committee’s meeting agendas.
- Absence of reference to interviews with three Executive Directors of the Organisation.
- Absence of reference to items included already in the Cyber Improvement Plan, items included starters and leavers information and assigning and removing access promptly.
- Absence of reference to the use of DATIX to document incidents.

The Committee discussed the reasons for discussing Cyber Security at Private Board meetings and agreed it was a included in the Protocol for taking matters in Private Meetings. The Board had asked external sources for advice regarding the stance the Board should adopt concerning whether they were correct to continue to discuss Cyber Security in Private Meetings but had not received any advice.

The Committee asked the Cyber Security team to share their work and the progress made with the Board and Senior Leaders of the Organisation.

Action: DJ, JJ, HG, PV

The Committee recommended that whilst Cyber Security discussions should remain in Private, reference should be made at Public meetings to the Private discussions and provide public assurance.

The Committee suggested the Actions from the Assessment Report should be included in the Strategic Risk Register and subsequently in the Corporate Risk Register, which were documents available in public.

With reference to Appendix F of the report, DJ assured the Committee the Organisation’s digital architecture was well documented and as the workforce was hybrid, it would not be possible to use the access systems noted in the appendix.

DJ and JJ felt that the inaccuracies he raised were dealt with promptly and resolved and it did not warrant an escalation to Welsh Government. The Committee discussed the possibility of escalation and suggested exploring whether it would be appropriate to write to the Digital Chief Officer (Mike Emery) or to Digital Health Care Wales.

The Committee asked for HG, DJ, JJ, PV and IB to discuss the Report and to decide the best options to escalate concerns on inaccuracies to Mike Emery in the first instance to explore and determine escalation required.

Action: HG, DJ, JJ. PV and IB

The Committee took **assurance** on the management of Cyber Security within the organisation.

	Break
ACGC 6/2024.03.19	Governance and Accountability
ACGC6.1/2024.03.19	Minutes (29 January 2024), Action Log and Matters Arising



The Committee considered the Minutes and Action Log of the meetings held on 29 January 2024.

The Committee:

- **Approved** the minutes of the meeting on 29 January 2024, as an accurate record of the meeting.
- **Approved** the closure of seven completed actions on the Action Log.

**ACGC 6.2/
2024.03.19**

Information Governance Performance Report

The Committee **received** the Information Governance Performance Report.

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

- Integrated Governance;
- Records Management.

In relation to Freedom of Information requests (FOIs), SS highlighted the response rates and due to the complexity of some requests, the Organisation could fail to comply with deadlines specified by the Information Commissioner. The Information Governance team had been in contact with the Information Commissioner’s Office to raise awareness of the situation and the complex nature of many of the requests. The Team sought continual improvement and used their new Administration System to manage the situation.

The Committee discussed a suggestion for an Internal Audit looking at Freedom of Information and the possibility of raising a Risk concerning Freedom of Information requests to be explored.

Action: SS

In relation to Subject Access Requests, a slight increase in the number of requests had been received and all had been dealt with in the specified time scale.

There was one reportable data breach in relation to screening results which were sent to an old address, this was reportable. The Incident Management Team recommended actions and the Information Commissioner’s Office decided no further action was necessary.

The Committee noted the mandatory training compliance figures had dropped slightly but remained above the NHS target. A Board Development Session was planned to include a session on Information Governance and Mandatory Training.

SS informed the Committee that his team would in future be supporting the NHS Executive concerning their Information Governance, the Audit and Corporate Governance Committee would receive assurance from the NHS Executive that appropriate assurances were in place at the NHS Executive.

The Committee noted the keys on some of the graphs were incorrect. SS agreed and told the Committee that work was underway to improve the presentation of the paper.



In relation to the update on Records Management migration programme to SharePoint, SS provided a summary of the current progress. Health Protection and Screening would migrate in April and May and whilst Operations had migrated, he noted the request from the Finance Division to delay migration to allow for their deadlines for submissions before year end.

SS informed the Committee an initial assurance document from the Project Management Office had been positive and reflected the progress which had been made, this would be presented to the May meeting. SS indicated the rollout Programme would be completed by the end of this calendar year.

SS told the Committee that benefits realisation was an integral part of the programme, and he would bring a paper or presentation to the Committee near the end of the roll out programme giving assurance to the Committee of the Records Management Programme.

Action: SS

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 6.3/
2024.03.19**

Governance Bi-Annual Updates

The Committee received the Biannual Governance Assurance Updates:

- Declarations of Interest
- Welsh Health Circulars
- Policy Update

LB drew the Committee's attention to the number of policies which were currently being reviewed and would be on the Agenda at the May meeting of the Committee for approval. The summary of the Welsh Health Circular had been included in the Cover Report and an additional attachment detailed the progress of each Welsh Health Circular. The Register of Interests would be published following the meeting and she asked the Committee to note that the Declarations of Interest from the NHS Executive would be included in Part B of the Audit Committee from the May meeting of this Committee in future.

The Committee took **assurance** on:

- the implementation of the Standards of Behaviour Policy and **noted** the updated **Declarations of Interest Register** would be published following the meeting.
- the management of the process ensuring the Organisation's compliance with **Welsh Health Circulars**.
- the prioritisation and progress being made to review **Corporate policies**, procedures and other written control documents within the remit of the Committee.

**ACGC 6.4/
2024.03.19**

Annual Review of Compliance with Corporate Governance Code

The Committee received the Annual Review of Compliance with Corporate Governance Code.

LB informed the Committee that the self assessment had been completed and was provided in full for assurance; the assessment concluded that Public Health Wales complied with all elements of the code. She referenced the additional assurance evidence that had been included this year such as the approval of the Board Assurance Framework in November 2023 and the appointment of TR who had brought additional equality and diversity skills to the Board.

The Committee took **assurance** on Public Health Wales' compliance with Corporate Governance in Central Governance Departments: Code of Practice 2017.

ACGC 7/2024.03.19	Hosting arrangements
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The Committee received a verbal update from NL regarding discussions with the NHS Executive and Welsh Government to host the NHS Executive.

An addendum to the hosting agreement for 2023 was proposed for the Hosting Arrangement for 2024/25. It had been considered by the Business Executive Team and would be presented to Board on 28 March 2024 for approval. Some issues were currently being resolved, such review of the hosting fee and some assurance elements concerning a Caldicott Guardian and Senior Reporting Officer. The Organisation would undertake to a full review of the Hosting Agreement during 2024/25, to take forward in to the following financial year.

PV informed the Committee Public Health Wales had developed a detailed programme of assurance for which it would have oversight, including Information Governance, and Freedom of Information and Access Requests.

The Committee took **assurance** on the preparation for finalising the Hosting arrangement for 2024/25.

ACGC 8/2024.03.19	For Information
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ACGC 8.1/2024.03.19	Finance, Procurement and Counter Fraud
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None

ACGC 8.2/2024.03.19	Internal, External and Clinical Audit
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None

ACGC 8.3/2024.03.19	Managing Risk
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The Committee **noted** the full Strategic and Corporate Risk Registers.

ACGC 8.4/2024.03.19	Governance and Accountability
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None

ACGC 8.5/2024.03.19	Committee Work Plan
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The Committee **noted** the Committee Work Plan.

ACGC 9/2024.03.19	Closing Administration
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Date of next Committee meeting:

9 May 2024

The Committee **noted** that all Committee papers would be published, with the **exception** of:

- Procurement Report
- Losses and Special Payments Report
- Debt Write-offs
- Reports relating to Cyber Security and Counter Fraud
- Sections with the Information Governance report which were sensitive.

NE asked for the Committee to receive notification of the levels of redaction to ensure a consistent level of information provision in the future.

Action: PV

Any Other Business

NE noting that this was KY's last Audit and Corporate Governance Committee meeting, thanked her for all her work on this Committee.

The Committee was asked to e-mail feedback on the meeting to LB.

NE thanked everyone for their contributions and closed the meeting.

The meeting closed at 12:43

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