

**Confirmed Minutes of the Public Health Wales
Audit and Corporate Governance Committee Meeting
10 July 2024 at 15:30, in 3.4 CQ2 and via Microsoft Teams**

Present		
Mohammed Mehmet	(MM)	Committee Chair and Non-Executive Director
Nick Elliott	(NE)	Interim Chair
Tamsin Ramasut	(TR)	Non-Executive Director
In Attendance:		
Liz Blayney	(LB)	Deputy Board Secretary and Deputy Head of the Board Business Unit
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
Neil Lewis	(NL)	Director of People and Organisational Development. Left at 16:05
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
Angela Williams	(AW)	Deputy Director of Operations and Finance
Steve Wyndham	(SW)	Audit Wales
Apologies		
Anne Beegan	(AB)	Audit Wales
Claire Birchall	(CB)	Interim Executive Director for Quality, Nursing and Allied Health Professionals
Clare Jenkins	(CJ)	Vice Chair
The meeting commenced at 15:30		
ACGC 1/2024.07.10 Welcome and Apologies for Absence		
MM opened the meeting and welcomed all present and noted that the meeting was held electronically and in person at CQ2.		
The Committee noted that the meeting was being recorded to support the accuracy of the minutes and that the recording would be deleted once the minutes had been agreed at the next meeting in September 2024.		
Apologies for absence were recorded from AB, CJ and CB.		
ACGC 2/2024.07.10 Declarations of Interest		

Executive and Non-Executive Directors declared an interest in agenda item 3.4 Remuneration Report 2023-24.

ACGC 3/2024.07.10	Year End Reporting
--------------------------	---------------------------

ACGC 3.1/2024.07.10	Head of Internal Audit Opinion and Annual Report 2023/24
----------------------------	---

The Committee considered three final Internal Audits which PD summarised:

Incident Reporting (Reasonable Assurance, with 8 recommendations, 2 low priority, 6 medium priority and 1 high priority.) The high priority recommendation concerning management timeliness had been agreed by management who had put timely actions in place to address the recommendation.

IT Infrastructure (Reasonable Assurance, with 5 recommendations, 2 low priority, 2 medium priority and 1 high priority.) The high priority recommendation concerning patching of switches had been agreed by management who had put timely actions in place to address the recommendation.

The Committee noted reference to IT Change Management in the Audit Wales Report and asked that these recommendations were linked. The Committee was assured that the separate recommendations would be tracked using the Audit Tracker.

The Committee received assurance that the Cyber Security team had been consulted concerning the management response, and the target dates listed were realistic and achievable dates and this indicated the work aligned with their agreed work plan.

The Committee asked that the concerns identified in these reports be considered at the next Risk Register review at the Organisation.

The Committee noted at the commencement of the meeting that the IT Infrastructure Report should not be in the public domain due to the sensitive information relating to cyber security. It was agreed the paper would not be published, and that the updates on the progress with these Actions via the Audit Action Tracker would also be considered in private session for this Report.

Contract Management (Reasonable Assurance, with 6 medium priority recommendations.)

There were no high priority recommendations in this report and timely actions had been agreed by management to resolve the medium priority recommendations.

The Committee discussed the Report's recommendation about the storage location of copies of contracts as it was not clear from the Report if the Organisation, the Contractor or Shared Services should hold the signed contract and where additional copies should also be held. It was noted that this would be recorded in the Audit Tracker.

The Committee **noted** the final Internal Audit reports for:

- Incident Reporting
- IT Infrastructure
- Contract Management

The Committee **considered** the Head of Internal Audit Opinion and Annual Report 2023/24.

PD reminded the Committee the report was presented to the Committee in draft form at its May meeting and that no significant changes had been made, the report had been updated to include the three final Internal Audit reports presented to the Committee at this meeting which concluded their Work Plan for 2023/24.

In conclusion PD informed the Committee his opinion was one of reasonable assurance in terms of the arrangements to secure governance, risk management and internal control within the areas which Shared Services had reviewed during the year.

HG reminded the Committee of the Organisation's obligation to report any Limited Assurance or No Assurance reports to Welsh Government. This had been another year when the Organisation had not had any of these reports and this had been recognised at the year end Accountability Meeting with Judith Paget and Welsh Government.

ACGC 3.2/2024.07.10 | Audit Wales Annual Opinion (including ISA260)

The Committee **considered** the Audit Wales Annual Opinion (including ISA260).

KW informed the Committee that Audit Wales were proposing to issue an unqualified opinion on the accounts as set out in Appendix 1 of the report. Audit Wales had not found any significant issues to report to the Committee. The Letter of Representation was included in Appendix 2.

One uncorrected misstatement had been identified in respect of the Organisation being unable to demonstrate the existence of equipment assets.

Appendix 3 showed statements which had been corrected by management, these were all referenced in the notes associated with the appendix.

Appendix 4 showed Audit Wales recommendations which resulted from the Audit, all have been fully accepted by management. Additionally it was noted that recommendation 3 impacted all NHS Organisations who used ProLease software.

The Committee questioned the unusual inclusion of non-accounting matters in the ISA260 Report and asked if the ProLease concern had been included in the ISA260 report for every organisation. Audit Wales were unable to confirm if the ProLease concern had been included in every ISA260 report which had been issued.

The Committee raised a concern that this inclusion would mean that there were four recommendations for Public Health Wales which might be a higher number of recommendations than for other Organisations who perhaps did not have the concern raised on their ISA260.

The Committee asked for clarification concerning the uncorrected misstatement.

JM informed the Committee that work was currently underway to address the concerns raised in the report concerning the list of assets with a gross book value of £889,000. It

had been noted in the report that the issues mainly concerned assets inherited when the Organisation was established in 2009, and it was likely that it might not now be possible to confirm ownership. However, there were more recent acquisitions where it would be possible to confirm ownership and the Finance Team continued to work to resolve the matter.

HG informed the Committee that many of the assets had a nil value and in the next financial year those assets would be cleared from the asset register. For items any with value, the team would work to address the concerns raised to correct the register of assets.

The Finance Team would also deliver training to Managers across the organisation to demonstrate the importance of this work and how it fed back to the audit and governance of the Organisation.

SW confirmed that the requirement to write to Audit Wales to confirm the Organisation's position had already been fulfilled and that it did not affect the opinion which Audit Wales gave. HG confirmed the opinion of the Organisation was contained within the letter of representation submitted to Audit Wales.

SW asked the Committee to **note** a verbal update to the report on page 5 where it stated that there was an outstanding area of work, concerning ongoing internal file review arrangements. This work had now been completed and all Audit work was complete.

ACGC 3.3/2024.07.10 | Draft Annual Financial Statement and Accounts 2023/24

The Committee **considered** the Draft Annual Financial Statement and Accounts 2023/24.

HG informed the Committee the accounts presented today had been subject to review, adjustment and to audit. He thanked the Finance Team and the team at Audit Wales. He presented the accounts to the meeting to ask for recommendation to Board for submission to Welsh Government.

ACGC 3.4/2024.07.10 | Draft Accountability Report 2023/24

The Committee **considered** the Draft Accountability Report 2023/24.

PV reminded the Committee the draft reports had been presented to the Committee on 9 May, it had been subsequently reviewed by Audit Wales and Welsh Government. Welsh Government had confirmed the level of disclosure met the requirements of Chapter 3 of the Manual for Accounts. Audit Wales had made comments resulting in minor amendments to phrasing and definitions, these were included in the report presented to the Committee for recommendation to Board.

ACGC 3.5/2024.07.10 | For Recommendation to the Board

The Committee:

- Took **assurance** from the Head of Internal Audit Opinion for 2023/24 (Item 3.1)



- **Recommended** the Financial Accounts and the Audit Wales Annual Opinion (ISA260) to the Board for approval. (Items 3.2 and 3.3)
- **Recommended** the Accountability Report 2023/24 for Board approval. (Item 3.4)
- **Noted** that once approved by the Board, they will be **submitted** to Welsh Government by 15 July 2024

ACGC 4/2024.07.10	To Note
--------------------------	----------------

There were no items for the Committee to note.

ACGC 5/2024.07.10	Closing Administration
--------------------------	-------------------------------

Date of next Committee meeting:

10 September 2024 at 09:30

Any Other Business

The Committee did not raise any other business.

MM thanked everyone for their contributions and closed the meeting.

The meeting closed at 16:08

CONFIDENTIAL