

## UNCONFIRMED

### SWANSEA BAY UNIVERSITY HEALTH BOARD MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON WEDNESDAY, 29<sup>TH</sup> MAY 2019 IN THE MILLENNIUM ROOM, HQ

<b>Present:</b>	Martin Sollis Martyn Waygood Tom Crick Reena Owen	Independent Member (in the chair) Independent Member Independent Member Independent Member	
<b>In Attendance:</b>	Lynne Hamilton Andrew Biston Paula O’Connor Jason Blewitt Ann-Marie Harkin Gareth Howells Pam Wenger Liz Stauber	Director of Finance Head of Accounting and Governance Internal Audit Wales Audit Office Wales Audit Office Director of Nursing and Patient Experience Director of Corporate Governance Corporate Governance Manager	
<b>Minute</b>			<b>Action</b>
<b>90/19</b>	<b>WELCOME AND APOLOGIES FOR ABSENCE</b>		
	Martin Sollis welcomed everyone to the special meeting of the Audit Committee to address end-of-year matters.  Apologies for absence were received from Mark Child, Independent Member; Len Cozens, Counter Fraud and Carol Moseley, Wales Audit Office.		
<b>91/19</b>	<b>DECLARATION OF INTERESTS</b>		
	There were no declarations of interest.		
<b>92/19</b>	<b>MATTERS ARISING</b>		
	There were no matters arising.		
<b>93/19</b>	<b>ACCOUNTABILITY REPORT</b>		
	The accountability report for 2018-19 was <b>received</b> .  In introducing the report, Pam Wenger highlighted the following points: <ul style="list-style-type: none"><li>- The report had been updated since the last meeting to incorporate comments from Audit Committee members, internal and external audit as well as the executive board;</li><li>- The only substantial change was to include a section on the Bridgend boundary change;</li><li>- This was the only health board to report compliance with the no purchase order (PO), no pay policy in relation to invoices.</li></ul>		

	<p>It was felt that this was the right thing to do.</p> <p>In discussing the report, Martin Sollis commented that the report was 'fit for purpose' and covered all that it needed to, and it was important that the no PO, no pay work was included, as non-compliance was a breach of the standing financial instructions. Paula O'Connor concurred, adding that there was commentary in relation to the no PO, no pay policy in the end-of-year internal audit report which supported this.</p>	
<b>Resolved:</b>	The accountability report for 2018-19 be <b>recommended</b> to the board for approval.	
<b>94/19</b>	<b>ANNUAL ACCOUNTS 2018-19</b>	
	<p>A report setting out the audited annual accounts for 2018-19 were <b>received</b>.</p> <p>In introducing the report, Andrew Biston highlighted the following points:</p> <ul style="list-style-type: none"> <li>- A number of minor amendments made to the accounts since the last meeting were outlined in the appendix and were across three categories: <ul style="list-style-type: none"> <li>• Issues raised by Wales Audit Office;</li> <li>• Audit Committee recommended changes;</li> <li>• Welsh Government technical updates;</li> </ul> </li> <li>- The Welsh Government technical update set out a requirement to include an additional disclosure regarding Brexit.</li> </ul> <p>In discussing the report, the following points were raised:</p> <p>Martin Sollis stated that the fact there were so few changes needed to the accounts demonstrated the hard work by Andrew Biston and the appendix cross-referencing the amendments was the ideal way in which to highlight these to the committee.</p> <p>Martin Sollis commented that the changes to the ledger as a result of the Bridgend boundary change would be significant and it would be useful for the committee to see the schedule sooner rather than later. Andrew Biston responded that the process to split the balance sheet would require sign-off by the chief executives of both health boards as well as Wales Audit Office and a draft would be shared with the Audit Committee in July 2019. Ann-Marie Harkin added that Wales Audit Office would be auditing the process and would also provide a formal report to further support the assurance process.</p>	
<b>Resolved:</b>	The audited annual accounts for 2018-19 be <b>recommended</b> to the board for approval.	
<b>95/19</b>	<b>HEAD OF INTERNAL AUDIT OPINION AND ANNUAL REPORT</b>	

	The head of internal audit opinion and annual report for 2018-19 was <b>received</b> and <b>approved</b> .	
<b>96/19</b>	<b>ISA 260 AUDIT OF FINANCIAL STATEMENTS</b>	
	<p>The ISA 260 audit of financial statements report (including the letter of representation) was <b>received</b>.</p> <p>In introducing the report, Ann-Marie Harkin highlighted the following points:</p> <ul style="list-style-type: none"> <li>- The audit of the annual accounts was completed in line with auditing standards;</li> <li>- The draft accounts were received on 26<sup>th</sup> April 2019 and were to a high standard;</li> <li>- Thanks were offered to the finance team for their quality reports and co-operation;</li> <li>- The Auditor General was to issue a qualified opinion on the basis of regularity and the failure to meet the first and second financial duty;</li> <li>- There were no uncorrected mis-statements;</li> <li>- The auditors had complied with ethical standards and maintained objectivity.</li> </ul> <p>In discussing the report, the following points were raised:</p> <p>Reena Owen queried if the qualification of the accounts would impact on the escalation status. Ann-Marie Harkin responded that knowing the financial challenges may lead to additional testing by the auditors. Martin Sollis added that Wales Audit Office and Healthcare Inspectorate Wales were part of the tripartite discussions as to the escalation status and the audit work and a range of other factors would form part of the ongoing conversations.</p> <p>Martin Sollis offered his thanks to the auditors, adding that the 'clean' ISA 260 was testament to the hard work of the financial team despite the challenges of the boundary change and changes in personnel in the finance team.</p>	
<b>Resolved:</b>	The ISA 260 report be <b>noted</b> .	
<b>97/19</b>	<b>ANY OTHER BUSINESS</b>	
	There was no further business and the meeting was closed.	
<b>98/19</b>	<b>NEXT MEETING: Monday, 15<sup>th</sup> July 2019</b>	