

Swansea Bay University Health Board
Unconfirmed Minutes of a Meeting of the Health Board
held on Wednesday, 8th June 2022 at 10.30am via Zoom

Present

Emma Woollett	Chair (in the chair)
Mark Hackett	Chief Executive
Steve Spill	Vice-Chair
Darren Griffiths	Director of Finance
Debbie Eyitayo	Director of Workforce and OD
Gareth Howells	Interim Director of Nursing and Patient Experience
Nuria Zolle	Independent Member
Patricia Price	Independent Member
Richard Evans	Executive Medical Director
Siân Harrop-Griffiths	Director of Strategy
Tom Crick	Independent Member
Reena Owen	Independent Member
Keith Reid	Director of Public Health

In Attendance:

Hazel Lloyd	Interim Director of Corporate Governance
Inese Robotham	Chief Operating Officer
Matt John	Director of Digital
Liz Stauber	Head of Corporate Governance
Andrew Biston	Assistant Director of Finance - Accounting and Governance
Osian Lloyd	Deputy Head of Internal Audit
Jason Blewitt	Audit Wales
Daniel King	Audit Wales
Leah Joseph	Corporate Governance Manager

Minute No.		Action
XX	APOLOGIES	
	Apologies were noted from Jackie Davies, Independent Member, Keith Lloyd, Independent Member and Maggie Berry, Independent Member,	
XX	WELCOME / INTRODUCTORY REMARKS	
	The chair welcomed everyone to the meeting.	

XX	DECLARATION OF INTERESTS	
	Nuria Zolle declared an interest in item 2.1 Annual Accounts 2021/22, as she was an active trustee for <i>Ospreys in the community</i> .	
XX	MATTERS ARISING	
	There were no matters arising.	
XX	ANNUAL ACCOUNTS 2021/22	
	<p>The annual accounts for 2021/22 was received.</p> <p>In introducing the report, Darren Griffiths recognised the work Andrew Biston and the finance team had taken to ensure the accounts were completed in a timely manner, and thanked Audit Wales for their support and assistance throughout the journey. He reflected that the last four years had been different for Swansea Bay University Health Board (SBUHB) when comparing accounts:</p> <ul style="list-style-type: none"> - 2019/20 was the first year for SBUHB following boundary change and organisation name change from Abertawe Bro Morgannwg University Health Board to SBUHB; - 2020/21 was affected by the first wave of the COVID-19 pandemic and saw increased costs in areas such as personal protective equipment as part of the COVID response ; - 2021/22 involved recovery from the COVID-19 pandemic and involved increased costs for test trace and protect, and mass vaccination centres. <p>There was a need to recognise the difference and accounts would be affected for future years following the pandemic.</p> <p>In introducing the accounts, Andrew Biston highlighted the following points:</p> <ul style="list-style-type: none"> - The draft annual accounts were reviewed by the Audit Committee at its meeting on 19th May 2022. Audit Wales completed their audit of the accounts and issued their Audit of Financial Statements Report; - There were three financial targets: <ul style="list-style-type: none"> o Requirement to submit an Integrated Medium Term Plan. SBUHB did not meet its statutory duty as it did not have an approved balanced financial plan; 	

	<ul style="list-style-type: none"> ○ Balanced Capital Resource Limit over the 3 years 2019-20 to 2021-22. SBUHB met its financial duty to break even against its Capital Resource Limit with an underspend of £32k; ○ SBUHB did not meet its financial duty to break-even against its revenue resource limit over the 3 years 2019-20 to 2021-22; <ul style="list-style-type: none"> - SBUHB is expected to pay all invoices within the 30 day period directed by the Welsh Government. Nine out of the 12 months' performance was at 95%, however over the 12-month period the figure was 94.32%. - COVID-19 recovery funding released to the Health Board totalled £130.4m following bids to Welsh Government; - Expenditure costs stood at £194m for primary healthcare services due to contracts and pay awards, £279m for healthcare from other providers, and £933m for hospital and community services; - There are no amendments to the main accounts statements comprising the statement of comprehensive net expenditure and statement of financial position; - There are changes to the cash flow statement due to a change in the split between the purchase of tangible and intangible fixed assets and a change in the split of payables between revenue and capital payables. <p>In discussing the item, the following points were made:</p> <p>Emma Woollett thanked Darren Griffiths, Andrew Biston and the finance team for their clear presentation and their work through a challenging time. Nuria Zolle echoed Emma Woollett's comments and supported Darren Griffiths' context. She noted that the year had been unusual and COVID-19 had provided challenges. She assured Board members that Audit Committee had scrutinised the accounts on 19th May and 8th June 2022.</p>	
Resolved:	The audited annual accounts for 2021/22 were ratified to be submitted to Welsh Government by the deadline of midday on Wednesday 15 th June 2022.	
XX	ISA 260 AUDIT OF FINANCIAL STATEMENTS	
	<p>The ISA 260 Audit of Financial Statements was received.</p> <p>In introducing the report, Daniel King highlighted the following points:</p>	

- Following the audit, and on receipt of the Letter of Representation, Audit Wales would issue an unqualified true and fair opinion; However, there would be a qualified regularity opinion in two respects. Firstly, and in line with prior years, because the Health Board did not meet its revenue resource allocation over the 3 year period and because the Health Board did not meet its financial duty to have an approved 3 year integrated medium term plan for the period 2019/20 to 2021/22;
- Secondly a new regularity opinion qualification arises due to the accounts including £1.9m of expenditure and funding in respect of clinicians' pension tax liabilities. This followed a Ministerial Direction issued on 18 December 2019. A Ministerial Direction does not make regular what would otherwise be irregular, but it does move the accountability for such decisions from the Accounting Office to the Minister issuing the direction;
- There was one uncorrected misstatement in the financial statements of £0.7m. This was above the trivial level as determined by Audit Wales but well below the level of materiality. The misstatement related to the treatment of indexation. SBUHB had followed Welsh Government guidance on this matter and was consistent with other Health Boards;
- There was a further uncorrected misstatement to bring to the attention of the board in relation to the reversal of impairment figures in respect of buildings which had not been split correctly between gross replacement costs and accumulated depreciation. This had not been included in the ISA260 so it was important that it was brought to the attention to the board. Audit Wales were comfortable with the approach taken by the health board not to correct it as the figure did not impact the bottom line position and is not material.
- The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole;
- Three incidents surrounding governance controls for Senior Officer pay had been highlighted and management accepted the recommendations;
- Thanks were given to Darren Griffiths, Andrew Biston and the finance team for their support during the audit.

In discussing the item, the following points were made:

Nuria Zolle thanked Audit Wales for their constructive discussion, and highlighted that SBUHB followed a Ministerial directive issued on March 2019 in relation to clinician's tax liabilities. As stated in the ISA 260 SBUHB acted in compliance with instructions issued by Welsh Government in relation to not applying the latest rate of indexation. She welcomed

	challenge from Audit Wales at future meetings and looked forward to continued engagement.	
Resolved:	The ISA 260 Audit of Financial Statements was noted .	
xx	LETTER OF REPRESENTATION	
	<p>The Audit Wales Letter of Representation was received.</p> <p>In introducing the report, Daniel King highlighted the letter was SBUHB's response to the audit and was subject to change following the further uncorrected misstatement raised as part of the ISA260 report. Darren Griffiths advised that the redraft had taken place and was being signed-off.</p>	
Resolved:	The Letter of Representation was approved .	
XX	RESPONSE TO AUDIT ENQUIRIES	
	<p>The response to Audit Enquiries was received.</p> <p>In introducing the report, Hazel Lloyd highlighted that the document was a part of the end of year reporting process and the draft letter had been shared with Audit Wales however no material changes had been made since.</p>	
Resolved:	The response to Audit Enquiries was approved .	
XX	EXECUTIVE SUMMARY OF HEAD OF INTERNAL AUDIT OPINION	
	<p>The executive summary of the Head of Internal Audit's Opinion was received.</p> <p>In introducing the report, Hazel Lloyd highlighted that the opinion is reasonable assurance and was discussed at Audit Committee on 19th May 2022. She thanked Osian Lloyd and team for their work.</p> <p>In discussing the item,</p> <p>Nuria Zolle thanked the internal auditors and their opinion which was a fair assessment of the organisation. She assured Board members that Audit Committee members would continue to monitor recommendations to ensure they are discharged appropriately. Emma Woollett echoed Nuria Zolle's comments and highlighted the importance of internal audit.</p>	

Resolved:	The executive summary of the Head of Internal Audit's Opinion was noted .	
XX	ANNUAL REPORT 2021/22	
	<p>The organisational annual report was received.</p> <p>In introducing the report, Hazel Lloyd highlighted the following points:</p> <ul style="list-style-type: none"> - The annual report had been through Audit Committee meetings in March and May for scrutiny, and shared with executives, independent members, internal and external audit colleagues and Welsh Government for comments; - Updates and comments following Audit Committee earlier that day have been applied and the revised versions were available on Admin Control and on the external SBUHB website; - The highlight report has been included, which include some of the softer achievements of the year. <p>In discussing the item, Emma Woollett thanked Liz Stauber for collating the detailed report.</p>	
Resolved:	<ul style="list-style-type: none"> - The annual report 2021-22 was approved for submission to Welsh Government by the deadline of 15th June 2022. - The highlights report for 2021-22 was approved. 	
XX	ANY OTHER BUSINESS	
Resolved:	There was no further business and the meeting was closed.	
XX	DATE OF NEXT MEETING	
	The date of the next meeting was confirmed as 28 th July 2022.	