



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Bae Abertawe
Swansea Bay University
Health Board



| | | Agenda Item | 2.5 (iv) |
|---|--|-------------|----------|
| Freedom of Information Status | | Open | |
| Reporting Committee | Audit Committee | | |
| Author | Leah Joseph, Corporate Governance Manager | | |
| Chaired by | Nuria Zolle, Independent Member | | |
| Lead Executive Director (s) | Hazel Lloyd, Acting Director of Corporate Governance | | |
| Date of meeting | 19 May 2022 | | |
| Summary of key matters considered by the committee and any related decisions made. | | | |
| ANNUAL ACCOUNTS | | | |
| Draft Annual Accounts 2022/22 | | | |
| Members received the draft audited annual accounts timetable and closure plans for the financial year ending 31 st March 2022. The report was supported by a presentation that covered the financial context for 2021/22 year, COVID-19 impact, performance against financial targets, analytic review of comprehensive net expenditure, staffing analysis, statement of financial position and next steps. The Auditor General’s view has not been changed and the expectation is irregular and will be qualified. | | | |
| Draft remuneration and staff report | | | |
| Members received and discussed the draft remuneration and staff report. The pension benefits figure was negative for some Executive Directors. Audit Wales had reviewed and identified that the negative figure should be replaced with zero. The amendment would be updated in the finalised version. | | | |
| Draft Organisational Annual Report | | | |
| The draft annual report 2021/22 was considered. Members agreed to submit final comments via email to Head of Corporate Governance, by 5pm on Tuesday, 24 th May 2022. The report is due to be approved by the Health Board in June 2022. The report had been split into three parts, performance report, accountability report and the financial statements. A draft version had been shared with Independent Members, Executives, Audit Wales and internal audit colleagues. Feedback had been incorporated into the versions received. | | | |
| MAIN COMMITTEE | | | |
| Quality Management System Update Report | | | |
| The report set out the work underway in response to the Audit Wales review of quality governance and the internal audit of the quality and safety framework. | | | |
| Key risks and issues/matters of concern of which the board need to be made aware: | | | |
| Finance Update | | | |
| A verbal update on the month one position was received from the Director of Performance and Finance. The forecast £21.4m deficit had been confirmed by Welsh Government for 2022/23. | | | |

Increased allocation was being used to reduce the deficit from 4.2m to 2.4m. Financial supported for COVID-19 was expected to materialize from Welsh Government. The financial position for month one stood at an in-month overspend of £2.2m with 350k non-pay overspent and £300k pay overspent. Work was underway on workforce as establishment was £4m underspent and improvement plans were ongoing. Fund flow of long-term agreements to go live as the middle model had been agreed with other Health Boards.

Clinical Audit and Outcome Review Plan

A report was received for assurance. In 2021, the clinical audit and effectiveness policy was revised to introduce a hierarchy of priorities for audit activities. The approach has been introduced for the new audit year. Audits had taken place based on either Health Board, Service Group or directorate issues or trends. The next steps would be to manage the recommendations following the audits and ensure lessons learned. A meeting with the Medical Director, Audit Committee Chair and Quality and Safety Chair to be arranged to discuss next steps.

Audit Registers and Status of Recommendations and update on outstanding Workforce and OD Recommendations.

The committee received a more focused report that provided specific assurance on the actions that were being taken to deal with limited assurance and high priority recommendations. The report included all updates to audit registers made up to and including the 22nd April 2022. There has been a reduction in outstanding actions stemming from Audit Wales and NWSSP and updated will be included in the next iteration of the report. Discussions with cluster development and planning team have been ongoing, and most of the actions will be closed by July's Audit Committee. Capital and estates follow-up reports are due to be finalised by the next review and will be included in July's iteration. A meeting was scheduled this afternoon with the nursing team to discuss progression of the discharge planning actions

Committee members raised the following points when discussing:

- *Discharging the recommendations in a timely manner;*
- *Moving timeframes should not become usual practice.*

Internal Audit Progress Report

The report was received for assurance. The network and information systems (NIS) directive final internal audit report and financial reporting and monitoring final internal audit report both returned reasonable assurance.

Committee members raised the following points when discussing the NIS final internal audit report:

- *Assessment of cyber security;*
- *Timescales to deliver the improvement plan.*

Committee members raised the following points when discussing the financial reporting and monitoring final internal audit report:

- *Review of the budget holder process and definition of 'budget holder'.*

Deputy Head of Internal Audit Opinion and Annual Report

The Health Board can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Twenty eight audit reviews were undertaken throughout 2021/22. Two scored substantial assurance, eighteen scored reasonable assurance, four scored limited assurance, and three audits were advisory.

Delegated action by the committee:

Counter fraud annual report 2021/22 was approved.

Audit Committee Terms of Reference was approved.

Corporate Governance Code was received for assurance. Committee members agreed that the assessment be reflected in the accountability report.

Declaration of interest register, gifts and hospitality registers were approved.

Governance Arrangements for the Spinal ODN

SBUHB has developed a hosting agreement that sets out the responsibilities of the ODN and the responsibilities of the Spinal Services Operational Delivery Network for South Wales, West Wales and South Powys (ODN) member Health Boards. The hosting agreement takes the form of a Memorandum of Understanding (MoU) and will be signed by SBUHB as host of the ODN and all Health Boards within the Spinal Services Operational Delivery Network. This will include SBUHB as a provider of adult spinal surgery. The MoU is, at the time of reporting, in final draft form, subject to any further required revisions from the Welsh Health Specialised Services Committee. Each Health Board would need to approve the MoU through their own organisational processes throughout June 2022. SBUHB will begin work if the MoU is approved at Audit Committee. The MoU was approved by committee members.

Main sources of information received:

The following reports were received with no significant issues raised:

Audit Wales Performance and Progress Report

Board Effectiveness Action Plan

NWSSP Single Tender Actions and Quotations

Guardian Service Annual Report

Highlights from sub-groups reporting into this committee:

Information governance group highlight report was received for assurance.

Matters referred to other committee

Refer the financial reporting and monitoring final internal audit report to the Performance and Finance Committee for discussion.

Date of next meeting

8th June 2022 (Final Accounts)