

**Confirmed Minutes of the Public Audit and Assurance Committee
Held on Monday 29th June 2020 10:00am – 11:00am
Executive Meeting Room / Via Skype**

Chair		
John Union	JU	Independent Member – Finance
Present:		
Eileen Brandreth (via Skype)	EB	Independent Member – ICT
Dawn Ward (via Skype)	DW	Independent Member – Trade Union
In Attendance:		
Bob Chadwick	BC	Executive Director of Finance
Nicola Foreman	NF	Director of Corporate Governance
Craig Greenstock	CG	Counter Fraud Manager
Mark Jones	MJ	Audit Wales
Chris Lewis	CL	Deputy Finance Director
Helen Lawrence (via Skype)	HL	Head of Financial Accounting and Services
Ian Virgil (via Skype)	IV	Head of Internal Audit
Rhodri Davies (via Skype)	RD	Audit Wales
Secretariat		
Laura Tolley	LT	Corporate Governance Officer
Apologies:		

AAC 20/06/001	Welcome & Introductions The Committee Chair (CC) welcomed everyone to the public meeting.	ACTION
AAC 20/06/002	Apologies for Absence Apologies for absence were noted.	
AAC 20/06/003	Declarations of Interest There were no declarations of interest.	
AAC 20/06/004	A Report on the Annual Accounts of the UHB 2019-20 The Deputy Director of Finance (DFD) introduced the report and confirmed the Annual Accounts also formed part of the Accountability Report. The DFD reminded the Committee that the report had previously been reviewed and scrutinised at the meeting held on 28 th May 2020. Adjustments to the report were outlined on page 2, however these did not change the impact of the report on the financial position of the UHB.	

<p>AAC 20/06/005</p>	<p>Audit Wales ISA 260 Report</p> <p>Audit Wales (AW) introduced the report and confirmed that the accounts were materially true, fair and prepared with the exception of stock, this was due to AW being unable to attend the stock take for 2019-20 due to COVID-19, therefore, this would not report negatively for the Health Board.</p> <p>AW advised the Committee of two emphasis of matter which were explained as:</p> <ul style="list-style-type: none"> Valuation of Land – The Health Board carried out 7 valuations during 2019-20, 4 of which were conducted during COVID-19. AW confirmed it was an emphasis of matter due to the unreliability around valuations due to market uncertainty. Pension Regulations – This affected all Health bodies with the exception of HEIW. AW confirmed the narrative around this had been agreed with Audit Wales and Welsh Government. <p>AW advised the Committee that the Auditor General intended to certify on the 2nd July 2020 and Welsh Government were expected to lay the accounts on the 3rd July 2020 which would include a press release.</p> <p>AW expressed thanks to the UHB Finance team, Corporate Governance team and all staff involved with the audit, advised it had been a difficult year to deal with the reports virtually but all stakeholders worked very well together to achieve this.</p>	
<p>AAC 20/06/006</p>	<p>The Head of Internal Audit Annual Report for 2019-20</p> <p>The Head of Internal Audit (HIA) introduced the report and confirmed that the Audit Annual Report for 2019-20 had been reviewed and scrutinised during the meeting held on 28th May 2020 and no changes had been made.</p> <p>The DCG confirmed that the Audit Annual Report for 2019-20 had also been presented to Management Executive and was also reflected through the Annual Governance Statement.</p>	
<p>AAC 20/06/007</p>	<p>The Counter Fraud Annual Report for 2019-20</p> <p>The Counter Fraud Manager (CFM) introduced the report and confirmed the following:</p> <ul style="list-style-type: none"> The appointment of a Band 4 team member to assist with awareness training going forward; 	

	<ul style="list-style-type: none"> • 59 new investigations and 11 cases brought forward from 2018-19; • Collaborative working was being undertaken with HR colleagues to address identified policy weaknesses; • Self-assessment had been completed, signed off by the Executive Director of Finance (EDF) and submitted within the set deadline to the NHS Counter Fraud Authority on 31st March 2020; • All areas are rated green against areas set by NHS Counter Fraud Authority, this was positive, however it was important to note a challenging year ahead; • Total cost of running a Counter Fraud department for the UHB totalled £91,000.00, however, the UHB had recovered £27,000.00 in costs. <p>The CC commented it was very positive to see all areas reporting green and thanked the Counter Fraud department for all work undertaken and achieved during 2019-20 and noted the difficulty heading into 2020-21.</p>	
AAC 20/06/008	<p>To receive and consider the following for 2019-20:</p> <p>a. The Letter of Representation included within the ISA 260 report</p> <p>AW introduced the report and confirmed this was a standard letter used, however there was a specific section within the letter which highlights corrections, this letter would require Board, CEO and Chair approval.</p> <p>The Independent Member – Trade Union (IM-TU) queried if there would be consequences over the estimated stock levels and valuations. In response, the DFD confirmed from a UHB perspective he was confident these were correct, therefore there was no cause for concern.</p> <p>The Independent Member – ICT (IM-ICT) asked in relation to the treatment of pool budget, the UHB had corrected 2019-20 accounts, but had not corrected previous year’s accounts. In response, the DFD advised confirmation from Welsh Government had been received which explained that previous changes did not need to be made.</p> <p>b. The response to the audit enquiries to those charged with governance and management</p> <p>The DFD confirmed this was endorsed at the meeting on the 28th May 2020, in addition to being endorsed by the Chair, CEO and DCG.</p> <p>c. The Annual Accountability Report including the Financial Statements</p> <p>The DCG confirmed that the Annual Accountability Report had been reviewed and scrutinised at the meeting held on 28th May 2020. Audit</p>	

	Wales and Welsh Government comments had been included in the final document. Part 1, related to the performance report was to be developed and presented at the Annual General Meeting on 27 th August 2020.	
AAC 20/06/009	<p>Resolved that:</p> <p>The Audit and Assurance Committee:-</p> <ul style="list-style-type: none"> (a) noted the reported financial performance contained within the Annual Accounts and that the UHB has breached its statutory financial duties in respect of revenue expenditure. (b) noted the changes made to the Draft Annual Accounts; (c) reviewed the ISA 260 Report, the Head of Internal Audit Annual Report, the Letter of Representation, the response to the audit enquiries to those charged with governance and management and the Annual Accountability Report which includes the Annual Accounts and financial statements; (d) recommended to the Board that it agrees and endorses the ISA 260 Report, the Head of Internal Audit Annual Report, the Letter of Representation and the response to the audit enquiries to those charged with governance and management; (e) recommended to the Board approval of the Annual Accountability Report for 2018-19 including the Annual Accounts and financial statements. 	
AAC 20/06/010	<p>Items to bring to the attention of the Board / Committees</p> <p>The Committee agreed the following items would be taken to the Board:</p> <ul style="list-style-type: none"> (a) Audit Wales ISA 260 Report; (b) The Head of Internal Audit Annual Report for 2019-20; (c) The Letter of Representation included within the ISA 260 report; (d) The response to the audit enquiries to those charged with governance and management; (e) The Annual Accountability Report including the Financial Statements; 	NF
AAC 20/06/011	<p>Review of the Meeting</p> <p>The CC thanked all involved in developing the reports and documents presented at the meeting.</p> <p>The IM-TU thanked the CC and Committee members for informed and transparent reporting.</p>	
AAC 20/06/012	<p>Date and Time of Next Meeting</p> <p>Tuesday 7th July 2020 9.00am – 12:00pm Via Skype</p>	