

UNCONFIRMED

SWANSEA BAY UNIVERSITY HEALTH BOARD MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON THURSDAY 25TH JUNE 2020 at 9.30 IN THE MILLENNIUM ROOM, HQ

Present:	Martin Sollis Nuria Zolle Tom Crick	Independent Member (in the chair) Independent Member Independent Member
In Attendance:	Darren Griffiths Andrew Biston Helen Higgs Jason Blewitt Mike Usher Gareth Howells Pam Wenger Elizabeth Stauber Claire Mulcahy	Director of Finance Head of Accounting and Governance Internal Audit Audit Wales Audit Wales Director of Nursing and Patient Experience Director of Corporate Governance Head of Corporate Governance (minute 68/20) Corporate Governance Manager
Minute		Action
65/20	WELCOME AND APOLOGIES FOR ABSENCE	
	Martin Sollis welcomed everyone to the special meeting of the Audit Committee to address end-of-year matters. Apologies for absence were received from Len Cozens, Counter Fraud and Neil Thomas, Internal Audit.	
66/20	DECLARATION OF INTERESTS	
	There were no declarations of interest.	
67/20	MATTERS ARISING	
	There were no matters arising.	
68/20	ANNUAL GOVERNANCE STATEMENT 2019/20	
	The Annual Governance Statement and Remuneration Report for 2019-20 was received . In introducing the report, Pam Wenger highlighted the following points: <ul style="list-style-type: none">- The report had been updated since the last meeting to incorporate comments from Audit Committee members, internal and external audit;- The draft report had been submitted to Welsh Government and some minor suggestions for improvement were received and they have been incorporated;	

	<ul style="list-style-type: none"> - A section on data quality had also been added to the document; <p>Martin Sollis commented that the report was an open and transparent account of 2019-20. Tom Crick concurred, adding that the report was strong and he was happy to recommend for approval by the board.</p>	
Resolved:	The accountability report for 2019-20 be recommended to the board for approval.	
69/20	ANNUAL ACCOUNTS 2019-20	
	<p>A report setting out the audited annual accounts for 2019-20 was received.</p> <p>In introducing the report, Andrew Biston highlighted the following points:</p> <ul style="list-style-type: none"> - As advised at Audit Committee on the 27th May, there was a significant increase in the actual prescribing costs and those estimated due to changes made in March 2020 as a result of the COVID-19 pandemic; - On the 28th May 2020, Welsh Government issued a resource only allocation of £0.891m to the health board to cover the increased prescribing costs. This resulted in changes to a number of account statements and disclosure notes as outlined in appendix a; - Some minor amendments were made to the accounts as recommended by Audit Wales and these were outlined in appendix b; - As requested by Audit Committee some further disclosure notes had been added to the supporting notes and typographical errors had been corrected; - On the 16th June 2020, Welsh Government issued technical update 07 in relation to the Pensions Pays Scheme. The health board were required to include an extract within their Contingent Liabilities Note – Note 21 and Notes 34.1; <p>In discussing the report, the following points were raised:</p> <p>Darren Griffiths expressed his thanks to Andrew Biston and the wider finance team for all their hard work in completing the accounts in such a challenging time. He also thanked Audit Wales colleagues for their continued support.</p> <p>Nuria Zolle queried whether colleagues had reflected on what had worked well in the audit process during the pandemic. Andrew Biston replied that moving to an electronic system in which Audit Wales had access to internal systems had worked well and had made the audit more efficient for audit colleagues. He advised that there would be a post-submission meeting in which lessons learned would be addressed for next year.</p>	

	<p>Martin Sollis added that he was glad to see the updated foreword disclosure in relation to the Bridgend Boundary Change, as this was important in terms of setting the context for the substantial differences in comparative figures in most statements and notes.</p> <p>With regards to the prescribing costs, he added that the health board's initial estimate stood at £900k and queried whether the team felt content with the calculation for the resource allocation. Andrew Biston replied this was done via the Welsh Government methodology, and health boards including Swansea Bay were happy with the revised figures and funding allocation made.</p> <p>In terms of the NHS Pensions Scheme, Mike Usher advised that there had been ministerial instruction from England in which concerns had been raised with regards to the tax implications for clinicians taking on extra shifts. Welsh Government advised that they would cover any tax liabilities but the health board would need to cover the cost initially and they would then be reimbursed. He advised that take up by clinicians had been quite low throughout Wales and currently there was not yet sufficient evidence to require that a provision was made within the accounts. He further added that it would be important to keep a close eye on this as Welsh Government would reviewing this with health boards in the Autumn.</p> <p>Tom Crick commented that this had been a particular issue of concern for the Workforce and OD committee and it was interesting to see this in the wider context of NHS Wales. Martin Sollis added that it would be helpful for this to be further considered by workforce colleagues and undertook to refer this through to the Workforce and OD Committee.</p> <p>In conclusion, Martin Sollis thanked Andrew Biston and the team for their hard work during the year end and for the excellent report provided to the committee.</p>	
Resolved:	<ul style="list-style-type: none"> - The issue in relation to the NHS Pension Pay scheme be referred to Workforce and OD Committee. - The audited annual accounts for 2019-20 be recommended to the board for approval. 	MS/TC
70/20	ISA 260 AUDIT OF FINANCIAL STATEMENTS	
	<p>The ISA 260 audit of financial statements report (including the letter of representation and audit enquiries) was received.</p> <p>In introducing the report, Jason Blewitt highlighted the following points:</p> <ul style="list-style-type: none"> - Exhibit 1 summarised the main impacts of the pandemic on this year's audit process; - The audit of the annual accounts was completed in line with auditing standards; - Thanks were offered to the finance team for their quality reports and co-operation; 	

	<ul style="list-style-type: none"> - There were no uncorrected mis-statements; - A summary of corrections made have been highlighted within appendix 3; - The auditors had complied with ethical standards and maintained objectivity. - The Auditor General was to issue a qualified opinion on the accounts. The qualification was on the basis of regularity and the failure to meet the first and second financial statutory duties; <p>Martin Sollis thanked the auditors for their work and the excellent working relationship they continued to have with the finance team, adding that the 'clean' ISA 260 was testament to the hard work of the financial team despite the challenges of the pandemic.</p>	
Resolved:	The ISA 260 report be noted .	
71/20	PROGRAMME OF AUDIT WALES' NHS PERFORMANCE WORK	
	<p>An update on the Audit Wales' programme of NHS performance audit work was received.</p> <p>Mike Usher highlighted the following points;</p> <ul style="list-style-type: none"> - The attached letter from the Auditor General sets out the programme of audit performance work and the re-shaping of the work programme; - Page 2 sets out the work around the Structured Assessment and the changes to the corporate/financial element; - The COVID-19 learning project was well underway and progress was being shared via a blog on the Audit Wales website; - The audit review of the quality governance was on hold at the moment but will be reinstated later in the year; - A piece of audit work was being carried out with regards to the Welsh Health Specialised Services Committee (WHSSC) and should be available to health boards in the next few months; - There would be a system review of unscheduled care and they were currently in the process of collecting evidence. <p>In discussion the following points were raised;</p> <p>Pam Wenger advised of the regular meetings with audit colleagues and that work was moving at pace. There would be a substantive update on the programme at the July committee. The approach taken by both internal and external auditors was a collaborative one.</p> <p>Nuria Zolle referred to the unscheduled care review and asked whether it would be a whole system approach and whether it would pick up the issue of attendance at Accident and Emergency during</p>	

	the pandemic. Mike Usher advised that they were in the process of reshaping the programme to account for such issues. He added that Carol Mosley would provide a verbal update on the scoping of the review at the next meeting.	
	ANY OTHER BUSINESS	
	There was no further business and the meeting was closed.	
	NEXT MEETING: Thursday, 9th July 2020	