



**GIG**  
CYMRU  
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WALES

Bwrdd Iechyd Prifysgol  
Abertawe Bro Morgannwg  
University Health Board



		Agenda Item	4.3 (i)
Freedom of Information Status		Open	
Reporting Committee	Audit Committee		
Author	Claire Mulcahy, Corporate Governance Officer		
Chaired by	Martin Sollis, Non-Officer Member		
Lead Executive Director (s)	Pam Wenger, Director of Corporate Governance		
Date of last meetings	16 <sup>th</sup> May 2019 and 29 <sup>th</sup> May 2019 (Annual Accounts)		
Summary of key matters considered by the committee and any related decisions made.			
<b>16<sup>th</sup> May 2019</b>			
<ul style="list-style-type: none"><li><b>Internal Audit Opinion and Annual Report (Draft);</b></li></ul> Members received the overall Head of Internal Audit Opinion which confirmed that the Board could take <i>reasonable assurance</i> that the arrangements to secure governance, risk management and internal control were suitably designed and applied effectively across the health board. The executive team were thanked by internal audit colleagues for the significant support received during 2018/19. Engagement had increased substantially and this was reflected in the increased completion of audit management responses. Members agreed that although an improvement had been evident, the Board could not be complacent and this year's focus would be to drive down the number of limited assurance reports, paying particular attention to the clinical governance and quality areas.			
<b>29<sup>th</sup> May 2019</b>			
<ul style="list-style-type: none"><li><b>Audited Annual Accounts 2018/19</b></li></ul> Members were informed of a number of minor amendments that had been made to the accounts as recommended by Wales Audit Office, Audit Committee and Welsh Government technical changes. Based on all of the supporting information that was received, the committee agreed that they could recommend the Accounts to the Board for approval.			
<ul style="list-style-type: none"><li><b>ISA 260 Audit of Financial Statements</b></li></ul> Members heard that the annual accounts had been completed in line with auditing standards. The draft accounts had been received on the 26 <sup>th</sup> April and were to a high standard. Thanks were offered to the finance team for their quality reports and co-operation. Members were informed that the Auditor General was to issue a qualified opinion based on regularity and the failure to meet its statutory duties to break even and to have an approved 3 year plan.			
Key risks and issues/matters of concern of which the board needs to be made aware:			
<b>16<sup>th</sup> May 2019</b>			
<ul style="list-style-type: none"><li><b>Review of Annual Accounts (Draft)</b></li></ul> The draft annual accounts for 2018/19 were received and the committee was informed that 2018/19 had an end of year final deficit control total of £10m. Members heard that the health board had failed to meet two financial duties; revenue resource performance and payment of non-NHS invoices within the 30-day requirement. As the health board did not have an approved integrated medium term plan, it also failed to meet this statutory duty.			

An analytical review of net expenditure across primary care, healthcare from other providers and hospital and community services was outlined to the committee. Particular concern was raised regarding the significant increase of £5m in medical, nursing and allied professional agency spend for this year. Members concurred that this was a health board wide issue and consideration was needed for the quality and safety impact of this spend. The committee were informed that this was a key priority and work was underway to curtail this spend within the high value opportunities.

- **Health Board Risk Register**

Members received an update on the risk register and were informed that significant work was being undertaken to refine and strengthen the approach to risk management within the organisation. Concerns were raised regarding the top five risks and members agreed that there needed to be a drive and focus on these. Assurance was sought on the actions being taken to mitigate the risks and executive leads were to be invited to the July Committee to provide information and assurance on these risks.

#### **Delegated action by the committee:**

Nil.

#### **Main sources of information received:**

On the **16<sup>th</sup> May 2019**, the following reports were received with no significant issues raised:

- Remuneration and Staff Report (Draft)
- Losses and Special Payments;
- Auditor General Management Report;
- Accountability Report (Draft);
- Organisational Annual Report Update;
- Annual Quality Statement;
- Standing Orders;
- Internal Audit progress and summary report;
- External Audit progress and performance report;
- Counter Fraud Annual Plan;
- Counter Fraud Annual Report and Self-assessment against NHS Protect.

On the **29<sup>th</sup> May 2019**, the following reports were received and with no significant issues raised:

- Accountability Report
- Head of Internal Audit Opinion and Annual Report (Final)

#### **Highlights from sub-groups reporting into this committee:**

Nil.

#### **Matters referred to other committees**

No items referred to other committees.

#### **Date of next meeting**

15 July 2019