

Swansea Bay University Health Board

Unconfirmed

Minutes of a Meeting of the Health Board

held on 13th July 2023 at 3pm via Zoom (livestream via YouTube)

Present

Emma Woollett	Chair
Mark Hackett	Chief Executive
Steve Spill	Vice-Chair
Anne-Louise Ferguson	Independent Member
Christine Morrell	Director of Therapies and Health Science
Darren Griffiths	Director of Finance and Performance
Debbie Eyitayo	Director of Workforce and OD
Gareth Howells	Director of Nursing and Patient Experience
Jean Church	Independent Member
Keith Lloyd	Independent Member
Nerissa Vaughan	Interim Director of Strategy
Nuria Zolle	Independent Member
Pat Price	Independent Member
Tom Crick	Independent Member

In Attendance:

Hazel Lloyd	Director of Corporate Governance
Matt John	Director of Digital
Richard Thomas	Director of Insight, Communications and Engagement
Liz Stauber	Head of Corporate Governance
Nia Morgan	Assistant Director of Finance
Alison McLellan	Finance Business Partner
Jason Blewitt	Audit Wales (until minute 127/23)

Minute No.		Action
123/23	WELCOME AND INTRODUCTIONS	
	<p>The chair welcomed everyone to the meeting. Apologies for absence had been received from Richard Evans, Executive Medical Director, Andrew Jarrett, Associate Board Member, Keith Reid, Director of Public Health and Reena Owen, Independent Member.</p> <p>The chair noted that this was Chief Executive Mark Hackett's last public board meeting before retiring, as he was on leave for the meeting at the end of July 2023. Whilst there would be further opportunities to thank</p>	

	Mark Hackett before he left, she felt it was important to formally mark his significant achievements for the health board on the public record.	
124/23	DECLARATIONS OF INTEREST	
	There were no declarations of interest.	
125/23	FINANCIAL ANNUAL ACCOUNTS 2022-23	
	<p>A report setting out the audited accounts for 2022-23 for ratification was received.</p> <p>In introducing the report, Darren Griffiths highlighted the following points:</p> <ul style="list-style-type: none"> - The report and audit accounts had been considered by the Audit Committee that morning alongside Audit Wales's report of the accounts; - The draft accounts had been submitted on time to Audit Wales on 5th May 2023 and then to the Audit Committee on 18th May 2023; - They had been prepared in-line with the manual for accounts and international financial reporting standards; - Following submission of the draft, the health board had worked with Audit Wales to process more than 300 lines of inquiry; - The end-of-year position had been revised from the draft of £400k surplus in May 2023 to a final underspend of £1.838m due to an error identified in the audit. This equated to 0.12% of the health board's gross expenditure; - The capital resource limit position was an underspend of £38k; - 94.7% of public sector payments had been processed within 30 days against the target of 95%; - The health board had not met its financial duty to breakeven across three years as this had been the only year of the three to balance, which would mean a qualified accounts regularity opinion; - 19 changes had been made to the accounts following the Audit Wales review and there were also two uncorrected mis-statements and two issues to bring to the attention of the board, which would be set out in the ISA 260 from Audit Wales; - A lot had been learned through the process and a six-month improvement plan was to be developed. In addition, a balance 	

sheet policy was to be developed and changes had already been made to the finance teams to address some of the issues raised:

- This was the first year since 2015-16 to achieve financial balance;
- Thanks were placed on record for the support and transparency provided by Audit Wales.

In discussing the report, the following points were raised:

Emma Woollett placed on record her thanks to the Director of Finance and Performance and his team for their work to deliver the annual accounts and the breakeven position. This was a significant achievement and milestone for the organisation, particularly given the impact Covid had had on the organisation. She also gave thanks to Audit Wales and the Audit Committee for their support during the process. These sentiments were endorsed by other board members.

Nuria Zolle, as Chair of the Audit Committee, assured the board that the accounts had been fully scrutinised at the meeting earlier that day. Members had been content with the responses provided by the Director of Finance and Performance as to the work to address the findings. Progress would be monitored closely by the Audit Committee. She added that it was important to recognise the collective efforts across the health board to make the savings needed but it would be important to sustain these in-light of the challenging years ahead.

Steve Spill noted the figure of 395 agency staff and queried if this was whole time equivalents, as this equated to £102k annual salary per person compared with £55k for health board staff. If agency staff was reduced, this was a potential £18.5m saving. Darren Griffiths confirmed that it was whole time equivalent staff and that reducing agency spend was a key part of the financial recovery plan for 2023-24. The health board had been successful in international nurse recruitment over the last year and was expecting a further 130 nurses graduating from local universities. By September 2023, it was anticipated the registered nursing roster would be near enough full, which would benefit the services from a quality perspective as well as financial.

Steve Spill noted the £14.9m revision to the continuing healthcare provision and asked if there was potential to repeat this in future years. Darren Griffiths responded that there were always opportunities for the review of provisions but the issues highlighted by Audit Wales demonstrated the rigour of the calculations and the clear drive for the most accurate provisions possible would inevitably result in reduced flexibility. Future iterations would use the revised methodology to further increase accuracy..

Steve Spill sought clarity around the PFI (private financial initiative) contingency interest. Darren Griffiths responded that part of the contract

	required provisions to be entered into a specific account (de-minimus fund) and if this was not allocated as part of the contract, it was returned to the health board. It was the health board's view that it was owed interest on this money and was working through the process.	
Resolved:	<ul style="list-style-type: none"> - The audited annual accounts for 2022-23 be ratified to enable them to be submitted to Welsh Government by the deadline of midday on Monday, 31st July 2023. 	
126/23	ISA 260 Audit of Financial Statements	
	<p>The ISA 260 audit of financial statements was received.</p> <p>In introducing the ISA 260, Jason Blewitt highlighted the following points:</p> <ul style="list-style-type: none"> - The report had been considered by the Audit Committee that morning; - It set out an unqualified true and fair audit opinion on the accounts, which it believed to be correct, but the audit opinion in respect of the regularity of expenditure was proposed to be qualified because of the failure to break-even over the three-year period; - Audit Wales worked to a concept of materialism, which it believed to be £14.7m this year for the health board; - There were two uncorrected mis-statements: <ul style="list-style-type: none"> • Accrual of medical leave which Audit Wales believed to be overestimated by £9.5m. £2.5m due to data provided by Health Education and Improvement Wales (HEIW) including duplicates and £7m due to the health board's additional accrual as it believed the HEIW data to be incomplete. The health board's reason for its non-correction of the mis-statement was set out in the letter of representation; • Payment of leases as a new accounting standard had been applied for this year and of 23 leases tested, errors were found in five, which meant that of the £5m untested, errors could be present; - Corrected mis-statements were set out in appendix three and included the correction which changed the surplus position to £1.8m; - The other issues to report to the board comprised termination payment authorised outside of the Remuneration and Terms of 	

	<p>Service Committee and issues relating to the audit of property plant equipment. Recommendations on both of these had been accepted by the health board;</p> <ul style="list-style-type: none"> - Thanks were placed on record to the health board for its co-operation during the audit process. 	
Resolved:	The ISA 260 audit of the financial statements be noted .	
127/23	LETTER OF REPRESENTATION	
Resolved:	The letter of representation was received and approved for submission to Audit Wales alongside the final accounts.	
128/23	RESPONSE TO AUDIT ENQUIRIES	
	The response to the Audit Wales audit enquiries was received and noted .	
129/23	HEAD OF INTERNAL AUDIT OPINION AND ANNUAL REPORT	
	<p>The Head of Internal Audit opinion and annual report for 2022-23 was received.</p> <p>In introducing the report, Hazel Lloyd highlighted the following points:</p> <ul style="list-style-type: none"> - 29 audits had been completed in the year – three substantial, 17 reasonable and seven limited assurance reports, with two advisory notes; - All reports had been received by the Audit Committee; - Overall audit rating for the year was reasonable assurance. <p>In discussing the report, the following points were raised:</p> <p>Emma Woollett placed on record her thanks for the internal audit support throughout the year.</p> <p>Emma Woollett stated it was a useful report to see as she did not regularly attend Audit Committee and it provided an overall assessment of each review. It was pleasing to see the overall reasonable assurance rating and for some of the limited assurance reports, such as continuing healthcare and transition of child and adolescent mental services to adult, it was known that work was ongoing. She queried what was being undertaken in other areas, such as health and safety, information</p>	

	<p>governance and estates, to ensure progress for future years. Nuria Zolle provided assurance that the Audit Committee kept a focus on limited assurance reports to ensure actions were being taking, but also referred the reports to the relevant committees to monitor progress. Darren Griffiths advised that he now had oversight for estates and health and safety and 60% of outstanding actions had already been addressed. He had established a rigorous process to oversee such reports going forward and also made changes to the reporting processes for capital, estates and health and safety to provide better governance. Matt John stated that the issues around information governance related to resources for subject access requests and a post was now out to recruitment. A subject access request policy was also out for approval. The governance model around information governance and cyber had been updated to provide more seniority around decision making which now comprised the Caldicott Guardian, Senior Information Risk Owner and Director of Corporate Governance.</p> <p>Nuria Zolle highlighted the substantial assurance around the digital transformation work as it was important to reflect the higher rated reports. She added that it had been encouraging to hear in Audit Committee that other independent members on other committees had been able to see some of the progress being made in relation to audits.</p>	
<p>Resolved:</p>	<ul style="list-style-type: none"> - The Head of Internal Audit opinion and annual report be noted. 	
<p>130/23</p>	<p>ANNUAL REPORT 2022-23</p>	
	<p>The annual report for 2022-23 was received.</p> <p>In introducing the annual report, Hazel Lloyd highlighted the following points:</p> <ul style="list-style-type: none"> - The draft had been shared with board members, Management Board, auditors and Welsh Government and feedback incorporated; - It was a three part document incorporating performance, accountability and financial statements; - A temporary change had been agreed to the standing orders by the board following authority from Welsh Government to hold annual general meetings by the end of September 2023 as opposed to July 2023 to meet the requirements of Audit Wales. The health board’s meeting would take place on 14th August 2023. <p>In discussing the report, Emma Woollett placed on record her thanks to the corporate governance team for the work to prepare the report.</p>	

Resolved:	- The annual report 2022-23 for submission be approved to Welsh Government by the deadline of 31 st July 2023.	
131/23	ANY OTHER BUSINESS	
	There was no other business and the meeting was closed.	
132/23	DATE OF NEXT MEETING	
	The date of the next meeting was confirmed as Thursday 27th July 2023 .	

Meeting closed: 3.45pm