

CWM TAF MORGANNWG UNIVERSITY HEALTH BOARD (CTMUHB)

**'CONFIRMED' MINUTES OF THE MEETING OF THE AUDIT
COMMITTEE HELD ON 30 MAY 2019,
AT YNYSMEURIG HOUSE, ABERCYNON**

PRESENT

Paul Griffiths	-	Independent Member, CTMUHB (Chair)
Maria Thomas	-	Independent Member, CTMUHB
Jayne Sadgrove	-	Independent Member, CTMUHB
Dilys Jouvenat	-	Independent Member, CTMUHB

IN ATTENDANCE

Marcus Longley	-	Chair, CTMUHB
Ian Wells	-	Independent Member, CTMUHB (Observing)
David Jenkins	-	Independent Support to CTMUHB Chair
Allison Williams	-	Chief Executive, CTMUHB
Chris Turner	-	Chair, Emergency Ambulance Services Committee
Sian Lewis	-	Managing Director, WHSCC
Stephen Harrhy	-	Chief Ambulance Service Commissioner
Robert Williams	-	Board Secretary/ Director of Corporate Services & Governance, CTMUHB
Gareth Lucey	-	Wales Audit Office
Paul Dalton	-	NWSSP – Head of Internal Audit & Assurance
Steve Webster	-	Director of Finance & Procurement, CTMUHB
Stuart Davies	-	Director of Finance, WHSSC
Elisabeth Williams	-	Finance Manager, CTMUHB
Gwenan Roberts	-	Head of Corporate Services, CTMUHB
Kevin Smith	-	Committee Secretary, WHSSC
Wendy Penrhyn-Jones	-	Head of Corporate Administration/ Committee Secretariat CTMUHB

AC/19/083

WELCOME AND INTRODUCTIONS

Paul Griffiths, Chair **welcomed** everyone to the meeting.

Members **NOTED** that the Audit Committee had already had the opportunity at its meeting on 13 May 2019 when it had scrutinised the 'draft' annual accounts for 2018/19 along with the 'draft' accountability report and 'draft' Head of Internal Audit Opinion. The Chair stated that for this reason he would ask all report presentations to focus upon amendments that had been made since that time.

With regard to the purpose of the meeting, Members **NOTED** that this was, subject to scrutiny of the Accounts and related financial statements, for the Audit Committee to make a recommendation to the Health Board to approve the Annual Accounts and related financial statements (including the Letter of Representation to the Auditors) for 2018/19.

AC/19/084 **APOLOGIES FOR ABSENCE**

Apologies for absence were **received** from Vivienne Harpwood, Chair of WHSCC.

AC/19/085 **DECLARATIONS OF INTERESTS**

There were no additional Declarations of Interest to note other than those already registered.

AC/19/086 **REPORT ON THE WELSH HEALTH SPECIALISED SERVICES COMMITTEE (WHSSC) / EMERGENCY AMBULANCE SERVICES COMMITTEE (EASC) FINANCIAL ACCOUNTS 2018/19**

Stuart Davies presented the report on the WHSSC/EASC Financial Accounts for 2018/19. Members **NOTED** that the only changes to the financial accounts since these documents had been considered by the Audit Committee in May 2019 related to minor presentational adjustments. These were summarised as categorisation of receivables, transposition errors, roundings and changes to accruals from WHSCC to EASC. Members **NOTED** none of these adjustments impacted on the overall position.

Gareth Lucey concurred with the above summary of amendments and members **NOTED** that Wales Audit Office had no further comments to offer.

Members **RESOLVED** to:

- **ENDORSE** the final audited financial statements for the financial year ended 31 March 2019;
- **RECOMMEND** their inclusion and publication unchanged in the consolidated Cwm Taf Statutory Financial Statements.

AC/19/087 **WHSSC ANNUAL GOVERNANCE STATEMENT FOR 2018/19**

Kevin Smith presented the WHSSC Annual Governance Statement for 2018/19. Members **NOTED** this had been subject to minor revisions since it had been discussed by the Audit Committee in May 2019. These revisions were summarised as additional text providing clarity on those instances where meetings were not quorate as well as changes with effect from November 2018 to the voting rights of members.

Members **NOTED** that Welsh Government had also been approached regarding whether they wished to consider amending Members regulations.

Members **RESOLVED** to:

- **NOTE** the report
- **APPROVE** the WHSSC Annual Governance Statement for 2018/19.

AC/19/088

EASC ANNUAL GOVERNANCE STATEMENT 2018/19

Stephen Harrhy presented the Annual Governance Statement in relation to EASC for the period 2018/19. Members **NOTED** there had been two minor changes to the document relating to reference to an incorrect year and an erroneous electronic link.

Members **RESOLVED** to:

- **NOTE** the report
- **APPROVE** the EASC Annual Governance Statement for 2018/19.

AC/19/089

REPORT ON THE FINANCIAL ACCOUNTS OF THE CWM TAF UHB FOR 2018/19

Final Draft Annual Accounts 2018/19

Elisabeth Williams presented the Financial Accounts relating to the former Cwm Taf University Health Board for 2018/19. Members **NOTED** that details of the main changes to the accounts were summarised in the report. In particular, Elisabeth Williams drew the attention of Members to the reclassification of care home core budgets, financial account entries, a reduction in consultancy costs to £233k, changes to employee numbers and costs and an amendment to pay bandings for senior personnel. Elisabeth Williams also stated there had been an improvement in the percentage of NHS invoices paid within target by value (of 1.7%) to 98.9%, changes to losses and special payment whereby three cases had been removed and some declaration of interest changes.

Members **NOTED** Wales Audit Office had no further comments.

Audit of Financial Statements (ISA 260) Draft Report and Letter of Representation.

Gareth Lucey summarised the findings of the audit of the Accounts which Members **NOTED** was now largely complete with a single matter outstanding in relation to the Remuneration Report. Gareth Lucey stated that whilst the organisation had correctly sought approval from the Welsh Government in relation to pay rates, confirmation of the position had yet to be received from Welsh Government although this was expected imminently.

AGENDA ITEM 5.1 APPENDIX 8

Gareth Lucey stated that Wales Audit Office were satisfied with the amendments made following their audit of the Accounts and thanked everyone involved.

Members **NOTED** that the Auditor General intended to issue an unqualified audit report on the financial statements which had no uncorrected misstatements and met the duty to break-even over a three-year period subject to the above outstanding matter being resolved.

Gareth Lucey stated that the Accounts were due for submission to Welsh Government the next day although the Auditor General was not due to certify these until 11 June 2019 which provided time for the required information to be received from Welsh Government.

The Chair stated that having been involved in the annual accounts process previously he was aware how challenging this could be and thanked everyone involved for ensuring the process had proceeded smoothly.

Members **RESOLVED** to:

- **NOTE** the report
- Recommend that the Board **APPROVE** the Annual Accounts for 2018/19 together with the letter of representation to the Auditors.

AC/19/089

CWM TAF UHB ACCOUNTABILITY REPORT 2018/19

The Chair stated that there had been productive discussion of the previous iteration of this Accountability Report at the Audit Committee in May 2019 following which a number of changes had been made. Members **NOTED** these mainly related to additional text in relation to counter fraud services, the audit of capital works at Prince Charles Hospital and general balance within the report.

Robert Williams reminded Members that Allison Williams had been invited to the Audit Committee meeting in May 2019 to inform scrutiny of the draft Accountability Report. Robert Williams said that following agreement over the changes that were required to the draft these were made and it had been recirculated to Audit Committee members who subsequently confirmed their contentment with the amendments.

Members **NOTED** there remained one amendment to be made to ensure consistency with the Head of Internal Audit End of Year Opinion relating to the outcome of an internal audit review of facilities where three out of four of the audits had been reasonable with the fourth being classed as 'limited assurance'.

Gwenan Roberts stated that she wished to record two late amendments made that morning to the Accountability Report as requested by Wales Audit Office colleagues in relation to payees and pension benefits.

The Chair extended thanks to Allison Williams and Robert Williams for their input into Accountability Report for 2018/19.

Members **RESOLVED** to:

- **ENDORSE** the accountability report and recommend that the Board **APPROVE** the report as part of its approval of the annual accounts for 2018/19.

AC/19/090

HEAD OF INTERNAL AUDIT OPINION AND ANNUAL REPORT 2018/19

Paul Dalton presented the report advising that as Head of Internal Audit he was of the opinion that the Board could take **Reasonable Assurance** that arrangements to secure governance, risk management and internal control within those areas under review were suitably designed and applied effectively. Members **NOTED** that small changes had been made to Performance Indicators in terms of the timeliness of responses.

Members **RESOLVED** to:

- **NOTE** the update provided
- **NOTE** that reasonable assurance had now been allocated.

AC/19/091

AUDIT ENQUIRIES CHECKLIST 2018/19

Robert Williams advised that the checklist had been completed as a matter of routine and the responses were generally consistent with those in previous years.

Members **RESOLVED** to:

- **NOTE** the update.

AC/19/092

ANY OTHER URGENT BUSINESS

The Chair referenced the helpful work undertaken by Internal Audit over the past 12 months which provided assurances that the organisation was addressing various challenging issues.

There was no other business to report and the meeting was closed noting the next Audit Committee meeting was scheduled for 15 July 2019 commencing at 9am.

DATE OF NEXT MEETING
Monday 15 July 2019 at 9am

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Paul Griffiths, Chair

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Date