



**PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	29 May 2019
TEITL YR ADRODDIAD: TITLE OF REPORT:	Accountability Report 2018/19
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Steve Moore, Chief Executive Officer
SWYDDOG ADRODD: REPORTING OFFICER:	Joanne Wilson, Board Secretary

**Pwrpas yr Adroddiad (dewiswch fel yn addas)
Purpose of the Report (select as appropriate)**

Ar Gyfer Penderfyniad/For Decision

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

Hywel Dda University Health Board (the UHB) is required to provide an Accountability Report as part of its Annual Report and Accounts for 2018/19. Guidance on how to complete and display these reports has been issued by Welsh Government in Chapter 3 of the Manual for Accounts, in accordance with HM Treasury reporting requirements as stipulated in the HM Treasury Financial Reporting Manual (FReM).

Cefndir / Background

In 2015/16, HM Treasury undertook a project to simplify and streamline the presentation of the Annual Report and Accounts. As a result the FReM has amended the format of the Annual Report and Accounts document and NHS bodies are required to publish, as a single document, a three-part annual report and accounts which includes:

- a. The Performance Report, which must include:
 - An overview
 - A Performance analysis.
- b. The **Accountability Report**, which must include:
 - A Corporate Governance Report
 - A Remuneration and Staff Report
 - A National Assembly for Wales Accountability and Audit Report.

c. The Financial Statements

The Accountability Report

The Accountability Report demonstrates how the UHB meets key accountability requirements to the Welsh Government and is required to have three sections:

a. The Corporate Governance Report

This explains the composition and organisation of the UHB's governance structures and how they support the achievement of the entity's objectives.

b. Remuneration and Staff Report

This contains information about the remuneration of senior management, fair pay ratios, sickness absence rates etc.

c. National Assembly for Wales Accountability and Audit Report

This contains a range of disclosures on the regularity of expenditure, fees and charges, compliance with the cost allocation and charging requirements set out in HM Treasury guidance, material remote contingent liabilities, long-term expenditure trends, and the audit certificate and report.

For 2018-19, the Audited Annual Accounts and Accountability Report are required to be completed and submitted to Welsh Government by Friday, 31st May 2019.

Asesiad / Assessment

The purpose of the accountability section of the annual report is to meet key accountability requirements to Parliament. The requirements of the accountability report are based on the matters required to be dealt with in a Directors' Report, as set out in Chapter 5 of Part 15 of the Companies Act 2006 and Schedule 7 of the SI 2008 No 410, and in a Remuneration Report, as set out in Chapter 6 of the Companies Act 2006 and Schedule 8 of SI 2008 No 410.

The requirements of the Companies Act 2006 have been adapted for the public sector context.

Auditors will review the accountability report for consistency with other information in the financial statements and will provide an opinion on the following disclosures which should be identified as audited within the accountability report:

- Single total figure of remuneration for each director
- CETV (cash equivalent transfer value) disclosures for each director
- Payments to past directors, if relevant
- Payments for loss of office, if relevant
- Fair pay disclosures
- Exit packages, if relevant, and
- Analysis of staff numbers

The accountability report is required to be signed off by the Accountable Officer/Chief Executive.

As a minimum, the corporate governance report must include:

- i) The Directors' Report – the guidance stipulates what information must be included, unless disclosed elsewhere in the annual report and accounts in which case a cross reference may be provided;
- ii) The Statement of Accountable Officer's responsibilities – the Accountable Officer is required to confirm and take personal responsibility and the judgements required for determining that the annual report and accounts as a whole is fair, balanced and understandable;
- iii) The Annual Governance Statement – the AGS is a key feature of the organisations' annual report and accounts & is intended to bring together in one place all disclosures relating to governance, risk and control. The UHB's AGS has been compiled in accordance with the relevant guidance and includes mandated wording.

A draft Accountability Report, providing the opportunity for comment and amendment, was previously circulated to all Board Members, Wales Audit Office, Welsh Government and

Internal Audit, with any amendments received being incorporated into the final version which is now being presented.

Argymhelliad / Recommendation

The Audit and Risk Assurance Committee is requested to support the content of the Accountability Report, in order to provide assurance to the Board that a robust governance process was enacted during the year and to recommend its subsequent approval to the Board

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference Cyfeirnod Cylch Gorchwyl y Pwyllgor	5.2 In particular, the Committee will review the adequacy of: 5.2.1 all risk and control related disclosure statements (in particular the Annual Governance Statement and the Annual Quality Statement), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board; 5.2.2 the underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements; 5.2.3 the policies for ensuring compliance with relevant regulatory, legal and code of conduct and accountability requirements; and 5.2.4 the policies and procedures for all work related to fraud and corruption as set out in National Assembly for Wales Directions and as required by the Counter Fraud and Security Management Service.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Statement	Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	NHS Wales 2018/19 Manual for Accounts
Rhestr Termau: Glossary of Terms:	Within Report
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg: Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Chief Executive Officer Director of Workforce and OD Deputy Director of HR Chair Assistant Head of Financial Accounting

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Not applicable.
Ansawdd / Gofal Claf: Quality / Patient Care:	There are no direct quality/patient care implications within this report.
Gweithlu: Workforce:	Not applicable.
Risg: Risk:	This report enables the UHB to meet its key accountability requirements to Parliament.
Cyfreithiol: Legal:	Not applicable.
Enw Da: Reputational:	Not applicable.
Gyfrinachedd: Privacy:	Not applicable.
Cydraddoldeb: Equality:	<ul style="list-style-type: none"> • Has EqIA screening been undertaken? No (if yes, please supply copy, if no please state reason) • Has a full EqIA been undertaken? No