

Item: 2

Title: Annual Report and Accounts 2022/23

Gweithredu / Action required	To note and endorse
Amseru / Timing	Urgent
Argymhelliad / Recommendation	It is recommended that the Board notes this report and recommendations from ARAC for the Board to adopt the Annual Report and Accounts 2022/23 and endorses the signing of the Annual Report and Accounts 2022/23
Risg / Risk	Reputational risk
Cyllid / Finance	N/A
Amcan Cynllun Corfforaethol / Corporate Plan Objective	Llais financial governance
Cydraddoldeb / Equality	N/A
Cyfathrebu / Communications	Please tick one of the following boxes if this activity will have an impact on: Internal: our people <input checked="" type="checkbox"/> External: our customers/partners/stakeholders <input checked="" type="checkbox"/> External: our organisation's reputation <input checked="" type="checkbox"/>
Cymeradwyaeth / Approval/Clearance	This paper has been cleared by the Chief Executive
Trafodaethau/ Penderfyniadau Blaenorol / Previous discussions/decisions	ARAC meeting 20 November 2023
Awdur/ Cyflwyno / Author/presenting	Alun Lloyd
Dyddiad / Date	13-11-2023

Cefndir / Background

As a statutory public body, a Welsh Government Sponsored Body (WGSB), Llais is required to publish Annual Accounts and Annual Report. While 2022/23 was mainly an establishment phase in the development of Llais, the Annual Accounts and Annual Report 2022/23 will need to be produced, audited, formally adopted and published by end of December 2023.

Schedule 1 Part 6 of the Health and Social Care (Quality and Engagement) (Wales) Act 2020 details the legal framework and requirements for Annual Accounts and Annual Report.

Manylion / Detail

The draft Annual Accounts and Annual Report were presented to Audit, Risk and Assurance Committee (ARAC) in August. ARAC endorsed the submission of the drafts to meet the legislation set deadline of 31 August 2023. The covering report to ARAC noted that Annual Report and Accounts would be subject to Accounts Direction to be issued by Welsh Government and that there were gaps in those draft.

ARAC noted that formal published document will be the audited Annual Report and Accounts that the Board will need to formally adopt, and then be laid by Auditor General for Wales at the Senedd, before 31 December.

The Annual Report and Annual Accounts were submitted to Welsh Ministers and Auditor General for Wales on 30 August 2023 with a detailed submission letter.

Following submission Llais have received copies of Accounting Officer letter for period to 31 March 2023 and Accounts Direction 2022/23. Both documents were issued to Professor Chris Jones, Senior Responsible Officer, CVB Implementation Board and designated Accounting Officer for Llais in 2022/23.

Considerable amount of work has taken place in finalising the Annual Report and Annual Accounts, with helpful input and advice from Welsh Government and Audit Wales colleagues. Particularly the Annual Report and Annual Accounts has been drafted to ensure that Implementation Programme and Llais Board activities and governance arrangements are fully covered and that the Accounts Direction requirements are met to the satisfaction of both Llais Board and also the Accounting

Officer. A revised draft of the Annual Report and Annual Accounts was shared with designated Accounting Officer for Llais in 2022/23, and a meeting held with the Accounting Officer to go through in detail the Annual Report and Annual Accounts and to provide assurance.

It was noted that the draft Annual Report and Annual Accounts, in August 2023, did not include the audit fee and additional Welsh Government funding to cover the fee.

Since the submission a material issue has been identified in that the reported Chief Executive salary was incorrect. The figures were based on 2021/22 pay rates and did not include the 2022/23 pay award that was applicable to all staff employed on NHS Executive and Senior Pay terms and conditions. Considerable time and effort have been spent to correct the salary and to obtain detailed financial information on the 2022/23 pay arrears to include in the Remuneration Report. This has caused significant delays in both in finalising the figures and being able to share the final versions of the financial statements, and detailed working papers, with Audit Wales.

One theme that has delayed and frustrated both the production of the Annual Report and Accounts in 2022/23 and also the audit of the Annual Report and Accounts has been the dependency on third parties for financial information, working papers and audit evidence. This has been a significant issue, not just on the correction of Chief Executive salary but on numerous other financial figures, such as pension declarations for the Remuneration Report.

Following the August ARAC meeting, and subsequent receipt of both Accounting Officer and Accounts Direction letters, formal advice was sought from Welsh Government on the signing of the Annual Report and Accounts. This advice has been followed.

The Annual Report and Accounts 2022/23 contain:

- Performance Report
- Accountability Report
 - Corporate Governance Report
 - Directors' Report
 - Statement of Accounting Officer's Responsibilities
 - Governance Statement
 - Remuneration Report

- The Certificate and independent auditor's report of the Auditor General for Wales to the Senedd
- Financial Statements
 - Statement of Comprehensive Net Expenditure
 - Statement of Financial Position (the balance sheet)
 - Statement of Cash Flows
 - Statement of Changes in Taxpayer's Equity
 - Notes to the accounts

Before Audit, Risk and Assurance Committee were asked to consider the recommendations in the submitted report they were advised to consider and discuss the Audit Wales Audit of Accounts Report.

The Audit, Risk and Assurance Committee were asked to:

- note the contents of the report
- note the Audit Wales Audit of Accounts Report
- note the contents of the Annual Report & Accounts 2022/23
- endorse the submission Annual Report & Accounts 2022/23 to Llais Board
- recommend to the Llais Board
 - to formally adopt the Annual Report & Accounts 2022/23
 - to endorse signing of Annual Report & Accounts 2022/23 in line with formal advice received:
 - Chris Jones & Alyson Thomas to sign Performance Report (page 6)
 - Chris Jones to sign Statement of Accounting Officer's Responsibilities (page 13)
 - Chris Jones & Alyson Thomas to sign the Governance Statement (page 17)
 - Alyson Thomas to sign Statement of Financial Position (page 29)
 - Alyson Thomas & Medwin Hughes to sign Letter of Representation

The Chair of Audit, Risk and Assurance Committee will confirm the outcome of the 20th November Audit, Risk and Assurance Committee deliberations and decisions with regards to the Annual Report & Accounts 2022/23 recommendations.

Recommendations

Subject to Audit, Risk and Assurance Committee deliberations on the recommendations the Board is asked to:

- note the contents of this report
- note the Audit Wales Audit of Accounts Report
- note the contents of the Annual Report & Accounts 2022/23
- note the ARAC recommendations
- formally adopt the Annual Report & Accounts 2022/23
- endorse signing of Annual Report & Accounts 2022/23 in line with formal advice received:
 - Chris Jones & Alyson Thomas to sign Performance Report (page 6)
 - Chris Jones to sign Statement of Accounting Officer's Responsibilities (page 13)
 - Chris Jones & Alyson Thomas to sign the Governance Statement (page 17)
 - Alyson Thomas to sign Statement of Financial Position (page 29)
 - Alyson Thomas & Medwin Hughes to sign Letter of Representation