

From the Permanent Secretary
Sir Chris Wormald



Department of Health & Social Care

Dame Meg Hillier MP
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Sent via email to: pubaccom@parliament.uk

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Dear Chair

PUBLIC HEALTH ENGLAND ANNUAL REPORT AND ACCOUNTS 2021-22

I am writing to let you know that, for exceptional reasons relating to the pandemic response and the creation of the UK Health Security Agency, the publication of the final report and accounts for Public Health England (PHE) has been delayed and will miss the statutory laying deadline of 31 January 2023.

On 18 August 2020, between the first and second waves of the COVID-19 pandemic, the then Secretary of State for Health and Social Care announced a machinery of government change to reorganise public health in England. This included an announcement that PHE would be abolished, and its functions divided, with a new organisation, then called the National Institute for Health Protection (now the UK Health Security Agency), taking over its health protection agenda alongside the NHS Test and Trace programme from the Department of Health and Social Care (DHSC) and the Joint Biosecurity Centre.

As both myself and Dame Jenny Harries have communicated in previous letters, the UK Health Security Agency (UKHSA) has faced some exceptional and unprecedented challenges since its operational go-live on 1 October 2021. This led to UKHSA's first Annual Report and Accounts (ARA) being exceptionally difficult to produce and the Comptroller and Auditor General (C&AG) taking the highly unusual and serious step of disclaiming his opinion on those accounts. The factors contributing to this outcome and the resultant issues observed are communicated in our earlier letters and not repeated here.

When an entity is abolished it must produce a final set of accounts up to the date of abolition; 30 September 2021 in the case of PHE. As such, the team responsible for preparing UKHSA's first set of annual report and accounts had the added



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responsibility of producing PHE's final closedown account. Producing and supporting the audit of UKHSA's first ARA in such challenging circumstances took significantly longer than envisaged, particularly when the provision of sufficient appropriate audit evidence became problematic. There was an agreed timetable for laying the PHE ARA pre-Summer recess however UKHSA Finance were subsequently unable to meet the required deadlines making this infeasible. Once the agreed window was missed, we were in mutual agreement with the NAO that the completion of the UKHSA ARA should take priority over the finalisation of an audited PHE closedown account, to try and avoid a disclaimed audit opinion (which ultimately was not possible for 2021-22) and to assist in the identification of issues that now form the basis of UKHSA's improvement action plan.

Unfortunately, despite exceptional levels of commitment and the best efforts of all involved, it has recently become apparent that it will no longer be possible to lay the 2021-22 PHE ARA by the 31 January 2023 statutory laying deadline under the circumstances. I apologise for and recognise the seriousness of this outcome. The 31 January 2023 statutory laying deadline is specified in the Government Resources and Accounts Act 2000 which also specifies the PHE ARA is for an HM Treasury Minister to lay. As such we have already notified HM Treasury that the statutory deadline will not be met. UKHSA's 2021-22 ARA was laid on 26 January 2023 in advance of the statutory laying deadline.

The 2021-22 PHE ARA is nearing completion and we envisage it will be published and laid within six weeks of the statutory laying deadline. This revised timetable has been discussed and agreed with the NAO.

As PHE was abolished on 30 September 2021, this is its last set of accounts and consequently the only year where UKHSA are required to produce concurrent accounts for UKHSA and PHE. In addition, the unique set of circumstances, unprecedented in combination, that led to a highly protracted UKHSA accounts preparation and audit process, are not expected to reoccur to the same extent, and whilst recognising that it will not be possible to resolve every issue in 2022-23, UKHSA have drawn up an action plan to address the problems that have resulted in the disclaimer and are confident the 2022-23 UKHSA ARA can be produced to a significantly improved timeframe. As such, we do not envisage any reoccurrence of accounts missing the statutory laying deadline going forward.

Whilst not wishing to pre-empt the C&AG's audit conclusions in respect of the 2021-22 PHE ARA, as communicated in the C&AG's Report on the 2021-22 UKHSA ARA, PHE transferred £1,030 million of inventory and stockpile goods to UKHSA on 1 October 2021. Of this, £767 million of vaccine inventories were subject to period-end stock counts at the point of transfer however concerns over disruption to supply of

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critical COVID-19 vaccines and the associated impact on public health prevented £254 million of stockpile goods, these being slower moving than vaccine inventories and routinely counted at each financial year-end, from being stock counted at that time. We await the C&AG's conclusion on the impact of this issue for his opinion on the 2021-22 PHE ARA.

I am copying this letter to the Chair of the Health and Social Care Select Committee and the Comptroller and Auditor General.

Yours sincerely,

A handwritten signature in black ink, reading "Chris Wormald".

**SIR CHRIS WORMALD
PERMANENT SECRETARY**