AUDIT, RISK AND ASSURANCE COMMITTEE

CONFIRMED MINUTES OF THE MEETING HELD ON 08 JULY 2025 AT 10:00 VIA MICROSOFT TEAMS

MEMBERS		
Steve Elliot	SE	Independent Member (Finance) (Chair)
Ian Thomas	IT	Independent Member (General)
Kirsty Williams	KWi	Independent Member (PTHB Vice Chair)
Ronnie Alexander	RA	Independent Member (General)
Rhobert Lewis	RL	Independent Member
Mick Giannasi	MG	Independent Member
IN ATTENDANCE		
Pete Hopgood	PH	Executive Director of Finance, Capital and Support Services and Deputy Chief Executive
Helen Bushell	HB	Director of Corporate Governance/Board Secretary
Kate Wright	KW	Executive Medical Director
Hywel Pullen	HP	Deputy Director of Finance
Claire Madsen	CM	Executive Director of Allied Health Professions, Health Sciences and Digital
David Owens	DO	Assistant Director of Digital, Technology and Data Operations
Bethan Hopkins	BH	Audit Wales
Ali Tariq	AT	Audit Wales
Sarah Pritchard	SP	Head of Financial Services
Stella Gwynne	SG	Deputy Board Secretary
Hayley Thomas	HT	Chief Executive Officer
Louisa Steele	LS	Counter Fraud
Ian Virgil	IV	Head of Internal Audit
Matthew Evans	ME	Counter Fraud
Katie Blackburn	KB	Llais
Bethan Powell	BP	Corporate Governance Officer
APOLOGIES FOR ABSENCE:		
Carl Cooper	CC	PTHB Chair
Amanda Legge	AL	NWSSP
Kirsten Jones	KJ	Llais

ARAC Minutes from the meeting held on 08 July2025
Status: CONFIRMED

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Audit, Risk and Assurance Committee
07 October 2025
Agenda Item: 3.1

1. PRELIMINARY MATTERS

1.1 WELCOME AND APOLOGIES FOR ABSENCE (ARA/25/039)

The Chair welcomed everyone to the meeting, in particular those members who were in attendance as part of the new Committee Membership. Apologies for absence were received as recorded above.

1.2 DECLARATIONS OF INTEREST (ARA/25/040)

The Chair NOTED the attached Register of Interests and provided an opportunity for the declaration of any further interests pertaining to the meeting agenda.

2. CONSENT AGENDA BUSINESS (ARA/25/041)

No items were requested for inclusion in the main agenda.

3. ITEMS FOR APPROVAL/DECISION/RATIFICATION

3.1 MINUTES OF THE PREVIOUS MEETING HELD ON 17 JUNE 2025 (ARA/25/042)

The minutes of the meeting held on 17 June 2025 were **CONFIRMED** as an accurate record.

Matters Arising

SG confirmed that a PowerPoint summary would be presented at the Health Boards Annual General Meeting (AGM) later in the year to act as an easy read of the Annual Report.

Members suggested the need to explore Artificial Intelligence which may be a beneficial cost-effective resource for administrative tasks. It was confirmed that Corporate Governance are seeking Co-pilot Pro licenses to support this work.

3.2 COMMITTEE ACTION LOG (ARA/25/043)

The Committee **RECEIVED** the action log, and the following updates were provided:

ARA/25/032- Explore MoU arrangements with RPB- Due January 2026.
ARA/25/031 - To clarify the number of PTHB estates buildings occupied by HCRW. It was confirmed that the number was 0, however HCRW did have access to hot desks in the Brecon / Bronllys area, however, do not formally occupy any PTHB buildings.

It was noted that a recent meeting had taken place with the Regional Partnership Board (RPB) where it was recognised that a need for a more structured understanding of hosted agreements between the Health Board and RPB.

Given the use of hot desks across the organisation, were there costs associated with this?
PH explained that there is a hosting agreement in place with Health Care Research Wales (HCRW) relevant to all Health Board premises and facilities to which is under review across ensure appropriate.

4 ESCALATED ITEMS

There were no items for inclusion within this section.

5 ITEMS FOR ASSURANCE

5.1 INTERNAL AUDIT PROGRESS REPORT 2025/2026 (ARA/25/031)

IV provided an overview of the report including the conclusions and assurance ratings for audits finalised in the reporting period. There had been two audits from the 2024/25 plan which had been finalised since the last meeting of the Committee,

Cancer Services (Reasonable Assurance) and Mattresses (Limited Assurance). It was noted that two audits remained work in progress with a further ten at the planning stage.

IV highlighted that the Decontamination Audit Report had been requested to be deferred from Quarter 1 to Quarter 3 due to a change in the Assistant Director and availability of the key management contact. The Head of Internal Audit confirmed the deferment was appropriate.

Independent Members sought assurance by asking the following questions:
Can assurance be provided that Executive and management capacity is considered to enable delivery as Audits are being planned and undertaken?
IV confirmed that the Audit plan and individual audits are developed in collaboration with the Executive and the management lead. There is a consistent and clear dialogue between both parties to ensure management are engaged to ensure the work is facilitated as planned.

Are there any concerns of the plan not meeting its full delivery and is it anticipated to be delivered as scheduled?
IV explained that Powys has adequate resources in place to deliver the plan at present, recognising that Powys audits are provided by the All Wales Shared Service Auditor provision this provides flexibility to support delivery of plans where required. The team continue to progress audits to completion to ensure deliverability in line with the audit plan.

Would the accounting issues that arose from the 2024/25 Annual Accounts, be considered as part of the Continuing Health Care (CHC) audit?
IV confirmed that the scope of the audit is yet to be finalised and acknowledged the work undertaken by Audit Wales and the accounting issues would be included I requested and agreed by management.

Is the timing change of an audit agreed with the relevant Director?
HT confirmed that any requested change to an audit would need to agree with the relevant Director and would be reviewed by the Executive Committee*.

The Committee **NOTED** and **RECEIVED** the Internal Audit Progress Report, including the findings and conclusions from the finalised audit reports.

5.2 INTERNAL AUDIT REPORTS (ARA/25/032)

IV gave an overall view of the assurance obtained from the following Audits:
   a) Mattresses *(Limited Assurance)*
   b) Cancer Services *(Reasonable Assurance)*

   a) Mattresses
IV provided an overview of the report and confirmed a rating of Limited Assurance. Five high priority and two medium priority findings had been found in relation to:

- Lack of awareness and specific training of the Mattress Policy
- No confirmation of compliance in line with the policy
- No periodic review undertaken to check completion of follow up issues
- Monthly mattress audits not completed

- Missing mattress audit information
- No central monitoring and reporting arrangements in place
- No confirmation that actions are taken to address identified issues

Management had agreed to all seven recommendations which would be implemented imminently.

Independent Members sought assurance by asking the following questions:
Was a specific sampling method utilised to undertake this audit?
IV confirmed that the audit of policy and processes is based on establishing areas that should be complied with. A different technique would be utilised across other process-based audits for the Health Board.

Could assurance be provided on the stability of ward staff?
CM explained that ward staff stability was not a concern. As part of the management response, a robust central system would be implemented as part of the monthly monitoring and reporting arrangements.

Was there a read across to Healthcare Associated Infection (HCAI)?
The audit undertaken was triggered from HCAI which had been a driver for review and improvement.

What improvement would be established as a consequence of the Audit?
A Medical Devices meeting had been established to monitor the drivers and areas of concern. CM confirmed that data provided low numbers of incidents but were confirmed as specific.

The field work of the audit states it was undertaken between April and June 2024 and sign off in June 2025, what was the rationale for the delay?
IV confirmed this was an administrative error and should state April and June 2025. This would be amended accordingly.

The proposed target date to deliver staff training is set at the end of July, is this realistic?
CM explained that the deadline to complete staff training was set within a small window given the need to urgently address the issues raised and to ensure compliance had improved. Staff training would be undertaken to familiarise the recording of periodic reviews and follow up would be implemented immediately by ward managers. A centralised monitoring and reporting Business intelligence (BI) dashboard system would be developed and implemented to improve and strengthen reporting mechanisms. However, it was noted that the timeframe would be reviewed.

What interim measures would be put in place, given that the new central digital system will not be implemented until September 2026?
Ward Managers would be responsible for ensuring all staff are aware of the Mattress policy and undertaken specific training to ensure compliance is met. Periodic reviews would be undertaken to check completion of follow up issues and monthly mattress

audits would be established and monitored. The data would be reported to the Medical Devices monthly meeting to provide assurance on the progress undertaken.

Are we confident that this is indicative of a wider cultural issue particular in terms of Infection Prevention Control (IPC)?
HT explained that spot checks would be undertaken across a number of wards following the completion of staff training to ensure that other aspects of compliance are appropriate.

KW noted that the IPC implementation improvement plan is monitored by the Patient Experience, Quality and Safety (PEQS) Committee. All Hospital acquired infections are recorded through the Integrated Quality and Performance report which is consistently reviewed by the PEQS Committee.

The Committee **RECEIVED** and **NOTED** the report.

a) Cancer Services
IV provided an overview of the report and confirmed a rating of Reasonable assurance. The scope of the audit did not include a review of the controls operating within external provider organisations. Although the impact on commissioned services was considered, during the time of the audit. Two medium and one High priority findings had been found in relation to:

- Need to formalise the arrangements of the Cancer group;
- Actions can be overlooked, responsibilities unclear, and progress stalled;
- Fragmented IT infrastructure for national cancer services performance;

Three actions had been identified to take forward in formalising the Cancer Group and development of Terms of Reference, monitoring and recording appropriate actions and target date of completion and copies of communications of meetings that demonstrate continued engagement and advocacy with providers.

HT explained the importance of the IT infrastructure for Cancer services performance which continues to be escalated via Joint Executive Team (JET) meetings. A National Cancer recovery plan for 2025/26 and improvement plan had been recognised as part of the national deliverables. The Health Board recognised the focus on cross border providers of cancer service performance and would ensure it is featured within the revised workplan.

Independent Members sought assurance by asking the following questions:
What work was being progressed to review the accuracy of recording in Primary Care at a point of cancer suspicion?
KW explained that this had been advocated in addition to the single cancer pathway and would need to be addressed nationally. Discussions were ongoing through a number of national forums to ensure this is focused as a key priority.

When audits are completed, are they published publicly or upon request?

IV confirmed that the Audits are available at a point where the Committee papers are published on the PTHB website and through internal mechanisms.

The Committee discussed the management response statement 'The majority of issues are outside the Health Board's control and relate to the national IT infrastructure in place'. Members recognised the need to review the narrative of the management response to identify what work can be undertaken and withdraw focus on elements outside of the Health Board's control.

Committee Members recognised the volume of internal audit reports and the overlap during quarters 3 and 4 and the impact of the internal audit programme given the significant ongoing pressures and demands across the health board.

The Committee **RECEIVED** and **NOTED** the Internal Audit reports.

5.3 CONFIRMATION OF CLINICAL AUDIT PROGRAMME IN PLACE (ARA/25/033)

KW confirmed that a Clinical Audit Programme is in place and provided members with an overview of its content.

Given the complexities and volume of clinical audits undertaken, was the correct emphasis highlighted in the audits, and would it be beneficial to focus on a smaller number?
KW explained that a large number were measurements of recognised fundamentals. There had been dialogue as to holding a number of clinical audits elsewhere, to minimise complexities. It was noted that software had been purchased which stores clinical quality audits and is currently utilised by Nursing staff. As this software matures there may be potential to transfer clinical audit into this platform.

The formation and methodology of the audit plan had significantly improved and strengthened in recent years. It was noted that a mid-year review of clinical audits and thematic assessment was due to be implemented.

The Committee took **ASSURANCE** that the Health Board has a Clinical Audit Plan in place which is overseen by the Patient Experience, Quality and Safety Committee.

5.4 EXTERNAL AUDIT PROGRESS REPORT AND MANAGEMENT RESPONSE (ARA/35/034)

BH provided the committee with an overview of the External Audit progress report and management responses against the following Audits:
- Review of Urgent and Emergency Care – Final report due October 2025
- All-Wales thematic review of Planned Care – The final report would be presented to its next meeting in October 2025;
- Structured Assessment 2024 Deep Dive – review of investment in digital systems – Project brief has been issued, final report due October 2025;
- Core Structured Assessment 2025– final project brief had been published, final report due October 2025;
- Follow up review of Quality Governance arrangements – Project brief issues with final report due October 2025;
- Review of arrangements for managing agency staff at planning stage;

- Structured Assessment 2025 Deep Dive - review of the arrangements to manage estates at planning stage;
- The review of Cancer Services which was at the planning stage.

AT provided the committee with an update against the status of the current accounts audit work. The Accountability Report and Financial statements in respect of the Continuing Health Care (CHC) Accruals were under review. The Health Board was reworking calculations which would then be subject to audit. The final planned completion date was yet to be confirmed, and the significance of delay was recognised against the previous deadline of 27 June 2025. Audit Wales would then seek to publish the revised IS260 based on the outcome of the work undertaken.

The Committee recognised the disappointment felt by the Health Board for not meeting its statutory deadline to sign off the Annual Accounts by 27 June 2025. The Committee discussed the ongoing additional work to ensure the audit was completed appropriately prior to submission to Welsh Government. Following submission, a lessons learned exercise would be undertaken in regard to the errors outlined and presented to the Committee at its next meeting in October.

The Committee **RECEIVED** the External Audit report and Management responses.

5.5 COUNTER FRAUD UPDATE AND REPORTS (ARA/25/035)

ME presented the report and advised that The NHS Counter Fraud Authority had issues guidance in relation to the new Economic Crime and Corporate Transparency Act (ECCTA) 2023. ME explained that the legislation introduces a new offence of failure to prevent fraud and the Health Board would be required to comply. It was noted that the new legislation would come into effect from 01 September 2025.

Powys was rated 'green' status which represented good compliance of Counter Fraud governance. A number of recommendations would be explored followed by a formal risk assessment in line with Counter Fraud national guidance. This would be reported to the Committee in Q4.

Independent Members sought assurance by asking the following questions:
How was the allocation of resources managed?
ME explained the programme was on track to deliver the plan and the team were exploring the use of Viva Engage, an internal social media platform part of the Microsoft 365 package suite, as part of multi-modal means of raising awareness amongst a dispersed workforce.

Are the ECCTA six principles set from a top-down approach or of equal equivalence?
ME explained that the principles are all of equal importance and are mapped to the Health Board Counter Fraud standards. The Counter Fraud Policy is due to be reviewed, and the rewording of the principles would be updated to align legislation.

Is there a general pattern of activity regarding the number of working whilst sick cases?
This activity is monitored through a number of controls and processes in place which follow up any proactive actions to all investigations. A low level of incidents had been reported which was not unusual. The Counter Fraud liaison group share intelligence

of investigations and trends across all NHS organisations which helps manage risks across health boards.

Given the level activity, can Committee Members expect to see outcomes and impact featured in future reports?
ME explained that work is underway to develop a mature reporting process for Counter Fraud with the use of risk assessments to measure performance and outcomes. A Counter Fraud profile would be developed and presented to Committee at its meeting in March 2026.

Given the inaccuracy of the use of formulas, had there been any push back from other organisations of its use?
The use of formulas had been discussed at a national level in NHS Wales. Feedback had been received of the approach being UK based by the Counter Fraud Profession (Public Sector Organisation) with further concerns raised of utilisation of formula. ME confirmed the Health Board was cautious of its use and would keep the Committee informed of any national changes.

The Committee **RECEIVED** the report and took **ASSURANCE** that appropriate counter fraud systems are in place.

5.6 SINGLE TENDER WAIVERS (INCLUDING EXTENSIONS TO CONTRACTS) (ARA/25/036)

The Committee received the report, and it was confirmed that there had been no Single Tender Waiver requests made between 01 May 2025 and 30 June 2025.

The Committee **NOTED** the report.

5.7 DIGITAL FIRST QUARTERLY MONITORING (INCLUDING CYBER SECURITY) (ARA/25/037)

CM introduced the report and DO provided the Committee with a comprehensive overview of the progress, challenges and areas for improvements across the Digital infrastructure.

Independent Members sought assurance by asking the following questions:
Do all organisations measure against the same targets and where does Powys benchmark against other health boards?
DO explained that measures are set internally, however they are based on other organisation targets to ensure a balanced comparison.

What is the Health Boards position with using Artificial Intelligence (AI)?
CM explained AI had improved the efficiency in Health Care, however, no national governance structure was available for health boards future direction. A number of teams across the organisation had experimented with copilot to explore this method of AI, it was recognised that this was available on an administrative basis and was limited for clinical use.

Was Powys an outlier with regard to the removal of Windows 10 by October 2025 in comparison with other health boards?

Yes, all health boards are preparing to invest in extended support in Microsoft which is noted as a significant cost. Powys had made good progress to date in comparison to other organisations.

Could clarity be provided that Wi-Fi is available to visitors across the Powys estate?
Powys had always provided a guest Wi-Fi service across the estate, although it was recognised that the usability required improvement. Following implementation of the new Wi-Fi system across the Health Board, patient experience had improved, and positive feedback had been received.

Committee members observed the importance of delivery and the need to explore AI across paediatrics to ensure opportunities are maximised. It was noted that AI had been trailed across clinical services in specialised areas and would be mostly beneficial to those patients across commissioned services. CM explained that Powys would expect to adopt digital AI following trail and testing elsewhere.

Can an update be provided on the Cross-border resources?
It was noted that Powys continue to face technical challenges with regards to the implementation of digital cross-border. Wye Valley Trust remains the sole cross-border organisation to engage to support the integration with resources committed to deliver through a number of escalation mechanisms.

The Committee **RECEIVED** the report and took **ASSURANCE** that work had progressed to deliver against the Digital Strategic Framework.

5.8 INFORMATION GOVERNANCE TOOLKIT (ARA/25/038)

It was noted that the item had been deferred to its next meeting in October 2025.

5.9 ASSURANCE OF RISK MANAGEMENT ARRANGEMENTS: STRATEGIC RISK REGISTER AND BOARD ASSURANCE FRAMEWORK (ARA/25/039)

HB provided an update on the progress made against the development of the Board Assurance Framework (BAF) and Strategic Risks. In March 2025, the Board approved the Risk Management Framework (RMF) and in May 2025 supported the new Risk Descriptors which supports the newly designed Strategic Risk Register.

It was noted that following the decision to transfer 'Digital' reporting from the Finance and Performance Committee into the Audit, Risk and Assurance Committee remit, a Strategic Risk Register would now be presented from the next meeting in October which focuses on Digital and Cyber Security. It was explained that it is the Committees responsibility to fully review and monitor this risk as part of the Committee's remit going forwards.

Significant progress had been made to develop the BAF, which displays a newly formed dashboard based on the Strategic Risk Register. The BAF Dashboard was noted as under development and would support the Board's SRR and would 'close the loop' of the risk management process.

The dashboard would focus on providing assurance in relation to the adequacy and effectiveness of the controls currently deployed by the Health Board to manage its strategic risks and will demonstrate a summary of the findings of associated available assurance.

Committee members proposed the potential benefit of a risk summary which indicates the significant changes to risk, including the risk owner and trend analysis. HB confirmed this would be considered as part of the development work.

Members discussed the need to consider an operating manual to support the Board Assurance Framework to help the assessment for consistency and the adequacy of assurance, controls and actions. Further work would be developed around risk prevention and how this is moderated across all aspects of risk management. This would be considered as part of the BAF and SRR development prior to the Board in July.

The Committee **NOTED** that the Strategic Risk Register (SRR) is currently under development and **RECEIVED** an overview of the risks due for allocation to this Committee. Members **RECEIVED** and **DISCUSSED** the proposed templates developed for the Board Assurance Framework Dashboard from July 2025.

5.10 ANNUAL CORPORATE GOVERNANCE DEVELOPMENT PLAN (ARA/25/040)

HB provided the Committee with an overview of the plan for continuous development, based upon the matters identified for actions within the 2024-25 annual review of Committee effectiveness. The plan comprises of a cross-Committee Action Plan and those significant actions which are specific to the Audit, Risk and Assurance Committee.

The Committee **RECEIVED** the Audit, Risk and Assurance Continuous Development Plan 2025-26 and **TOOK ASSURANCE** that the implementation of continuous improvement actions will be monitored throughout the year as a key principle of good corporate governance.

6. ITEMS FOR DISCUSSION
There were no items for inclusion in this section

7. CONSENT AGENDA
There were no items for inclusion in this section

8.OTHER MATTERS

8.1 ANY OTHER URGENT BUSINESS (ARA/25/041)
No other urgent business was raised.

8.2 ITEMS TO BE BROUGHT TO THE ATTENTION OF THE BOARD AND OTHER COMMITTEES (ARA/25/042)
There were no items raised.

8.3 COMMITTEE REFLECTIONS (ARA/25/043)
The following feedback was noted:
- Helpful pre meeting prior to ARAC
- Robust discussion and appropriate challenge
- Bleeding across other Committee meetings

- Difficult issues discussed sensitively
- Emphasised discussion on Cyber – Evolved as a key issue regarding some members concerns.
- Planning needed ahead of the October ARAC meeting given length of items scheduled to ensure adequate time allocated.

8.4 DATE OF NEXT MEETING

The date of the next meeting is scheduled on 07 October 2025 at 10:00 via Microsoft Teams.

Meeting closed at 12:53