



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd
Addysgu Powys
Powys Teaching
Health Board

EXTRAORDINARY AUDIT, RISK AND ASSURANCE COMMITTEE

CONFIRMED MINUTES OF THE MEETING HELD ON 17 JUNE 2025 AT 10:30 VIA MICROSOFT TEAMS

MEMBERS		
Steve Elliot	SE	Independent Member (Finance) (Chair)
Ian Thomas	IT	Independent Member (General)
Kirsty Williams	KW	Independent Member (PTHB Vice Chair)
IN ATTENDANCE		
Pete Hoggood	PH	Executive Director of Finance, Capital and Support Services and Deputy Chief Executive
Helen Bushell	HB	Director of Corporate Governance/Board Secretary
Hywel Pullen	HP	Deputy Director of Finance
Claire Madsen	CM	Executive Director of Allied Health Professions, Health Sciences and Digital
Mike Jones	MJ	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
Carl Cooper	CC	PTHB Chair
Ian Virgil	IV	Head of Internal Audit
Anne Beegan	AB	Audit Wales
Bethan Powell	BP	Corporate Governance Officer
APOLOGIES FOR ABSENCE:		
Ronnie Alexander	RA	Independent Member (General)
Rhobert Lewis	RL	Independent Member (General)
Mick Giannasi	MG	Independent Member (Committee Vice Chair)
Louisa Steele	LS	Lead Local Counter Fraud Specialist
Matthew Evans	ME	Counter Fraud
Katie Blackburn	KB	Llais
Kirsten Jones	KJ	Llais

1. PRELIMINARY MATTERS

1.1 WELCOME AND APOLOGIES FOR ABSENCE (ARA/25/026)

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/25/027)

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

HB highlighted a declaration on behalf of all Board and Executive Members in relation to the information provided within the Remuneration Report section of the Health Board's Annual Report 2024/25 (Item 5.5). The Committee NOTED the declaration.

2. CONSENT AGENDA BUSINESS (ARA/25/028)

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 13 MAY 2025 (ARA/25/029)

The minutes of the meeting held on 13 May 2025 were **CONFIRMED** as an accurate record.

3.2 COMMITTEE ACTION LOG (ARA/25/030)

The Committee **RECEIVED** the action log which confirmed no live actions were present.

4 ESCALATED ITEMS

There were no items for inclusion within this section.

5 ITEMS FOR ASSURANCE

5.1 HOSTED BODY ANNUAL REPORT (ARA/25/031)

HB provided an overview of the Hosted Body Annual Report in absence of DWL. The presentation summarised that the Health Board hosts the Health and Care Research Wales support and Delivery centre. HB explained that an annual report to the Audit, Risk and Assurance Committee is required to provide assurance that both the Health Board as host, and the hosted body (HCRW) are fulfilling the requirements of the hosting agreement.

Independent Members sought assurance by asking the following questions:

How regularly is the relationship between the host and hosted body reviewed?

HB confirmed that it is a long-standing relationship, with the Hosted body reviewed on an annual basis.

Do Health Care Research Wales (HCRW) occupy PTHB estate premises, and can assurance be provided that Health and Safety issues are managed appropriately?

HB explained that HCRW are in the process of consolidating their estate on a regional basis. PTHB had provided support to HCRW to identify leased premises and procurement. Clarity around the number of estates premises occupied by HCRW would be shared with members at the next meeting.

Action: Director of Corporate Governance

Can assurance be sought in terms of lessons learned as a result of the potential fraud issues identified?

HB explained that the figures remained relatively low and confirmed were compliant with PTHB processes.

The Committee noted improved workforce metrics compliance in regard to mandatory training and PADR recording. SE commended the Health Board for its efforts as a result of this.

The Committee **RECEIVED** the Hosted Body Annual Report for Health and Care Research Wales and took **ASSURANCE** that the hosting agreement is being managed appropriately by both host and hosted body.

5.2 STRUCTURED ASSESSMENT REPORT 2024- MANAGEMENT RESPONSE (ARA/25/032)

HB provided an overview of the finalised Management response to the Structured Assessment report 2024 across all eight audit recommendations which would be monitored through via the Health Board's audit tracking process. HB welcomed the supportive relationship and constructive dialogue with Audit Wales in relation to the recommendations made.

Independent Members sought assurance by asking the following questions:

In relation to recommendation 4.2 'Ensuring a long-term strategy is in place post pandemic', what was the reasoning for no recommendations being accepted?

HB confirmed this was an administrative error and would be corrected prior to publication.

The Committee recognised the Health Board's relationship with the Regional Partnership Board (RPB), and the process to ensure the delivery of statutory requirements as a Health Board. Members discussed Powys' long-term strategy which has been developed in partnership with RPB and partners to deliver the area plan as part of national requirements. An update report would be presented to Committee in due course.

The Committee considered the need to explore a formal Memorandum of Understanding (MOU) arrangement with the RPB to strengthen governance and the process of responding to the Health Board. KW added that a discussion had taken place with the Lead Officer of the RPB in terms of strengthening governance and the need to explore a formal understanding of collaboration.

Action: Director of Corporate Governance

AB explained that Audit Wales were undertaking a separate review on Quality and Governance arrangements. A National review was being undertaken as a follow up on previous work around the Regional Care Fund. This would have a clear focus on governance and scrutiny of RPBs. Following completion of this work, a report would be presented to the Committee.

The Committee **RECEIVED** the Structured Assessment Report 2024 - Management Response and took **ASSURANCE** that appropriate management responses were in place.

5.3 INTERNAL AUDIT REPORTS 2024/2025 (ARA/25/033)

IV gave an overall view of the assurance obtained from the following Audits:

a) Quality and Safety Governance

b) Contract Management

a) Quality and Safety Governance

IV provide an overview of the report and confirmed a rating of Reasonable Assurance. Three medium priority findings had been found in relation to:

- Ensuring the structure and content of the Integrated Quality Report is continued to be updated to reflect evolving requirements
- inaccuracy of indicators and
- sufficient narrative to demonstrate quality is being improved.

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

KW recognised the helpful recommendations to improve quality and accessibility to track trends throughout the documentation.

The Committee RECEIVED and NOTED the report.

b) Contract Management

IV provided an overview of the report and confirmed that the report was advisory. The review had been undertaken further to the advisory review of Contracts and Procurement at Betsi Cadwaladr University Health Board (BCUHB), completed at the request of Welsh Government in 2023/24, which identified several areas of concern and non-compliance with BCUHB's Standing Financial Instructions (SFIs).

Six actions had been identified to take forward in partnership with other NHS Wales organisation to improve and/or enhance controls in contract management arrangements. This would be shared with the Committee upon completion and in collaboration with other NHS Wales organisations.

Independent Members sought assurance by asking the following questions:

For those individuals with a contract management responsibility, is it deemed appropriate throughout the NHS to undertake mandatory training and should Shared Services lead this form of arrangement?

IV responded that formalising arrangements more centrally may be more appropriate and would provide feedback to Shared services on discussions.

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

5.4 FINAL HEAD OF INTERNAL AUDIT OPINION (ARA/35/034)

IV presented the Head of Internal Audit (HoIA) Opinion for 2024/25 and Annual Report and confirmed that the opinion provided the Health Board with Reasonable Assurance for 2024/25. The following summary of 2024/25 audits was provided and it was highlighted that two of the Audits remained at draft stage, the final iterations would be shared with members when complete:

- 7 Substantial Assurance

- 13 Reasonable Assurance
- 2 Limited Assurance
- 2 Advisory

The Report also included details of the 4 audits that have been removed from the plan during 2024/25, as previously reported to the Committee. These audits and the reason for their deferment had been considered when compiling the HoIA Opinion.

The HoIA Opinion would be reflected within the Health Board's Annual Governance Statement along with confirmation of action plans to address any issues raised. Particular focus would be included on the agreed response to the two Limited Assurance reports issued during the year.

Independent Members sought assurance by asking the following questions:

What actions had been undertaken to improve the Declaration of Liberty's (DoLs) given its rating of Limited Assurance?

HT confirmed that the Executive Committee had developed an action plan in response to the audit and an investigation case had been undertaken to agree to additional capacity to address the team's constraints. A report is due to be presented to the Patient Experience, Quality and Safety Committee in July to monitor the progress against the action plan. A follow up internal audit is also scheduled in 2025/26 to monitor progress, this would be shared with the Committee upon completion.

IV expressed his thanks to colleagues in the Health Board for their support throughout 2024/25. HB echoed thanks to Internal Audit for the work undertaken and welcomed the support and the collegiate relationship.

The Committee **CONSIDERED** and **NOTED** the Final Head of Internal Audit Opinion and Annual Report for 2024/25.

5.5 PTHB FINAL ACCOUNTABILITY REPORT AND FINANCIAL ACCOUNTS (LETTER OF REPRESENTATION) (ARA/25/035)

PH introduced the report and welcomed MJ who presented the overall findings and current position of the financial accounts. The following matters were highlighted for the Committee's attention:

- The £5M contingent liability invoice received from an NHS England provider had been escalated to Welsh Government and had subsequently been reviewed by Audit Wales's Audit Engagement Team, who had concluded that the matter should be treated as a contingent liability. Due to the value of the invoice, this matter was shared with Audit Wales's Head of Audit Services for peer review, the outcome of this review had yet to be confirmed, but early indications suggested that no further issues were anticipated. The final outcome of the peer review would be confirmed to the Board on 25 June 2025;
- Two errors had been identified in relation to Continuing Health Care accruals, these were not considered material. As a result of the identified errors

sample testing had been extended, for which the information had been provided but findings had yet to be confirmed. Should there be any changes to the materiality of the identified errors as a result of the extended testing this would be confirmed to the Board on 25 June 2025.

- Audit Wales indicated that due to the further work required in relation to Continuing Health Care accruals there could potentially be an impact on the approval of accounts timeline dependent on the findings of the extended sample testing. The Committee recognised the importance of delivery against the timeline, and it was agreed that any anticipated delays would be reported to the Board on 25 June 2025.

The Committee formally recognised the potential delay in the approval of the accounts timeline and **NOTED** the contingent liability in regard to the provider invoice acceptance.

HT raised the following matters for the Committees information:

- the importance of delivering the approved accounts in line with timescale was recognised;
- the contingent liability invoice regarding WVT had been escalated to Welsh Government, an update would be provided to members following receipt of response;
- thanks were expressed to Finance, Audit Wales and wider teams involved in the preparation of the accounts for the work undertaken.

Carl Cooper joined the meeting 11:24

The Committee **RECEIVED** and **NOTED** the financial accounts and the Chair and PH both expressed their thanks to the Finance and Audit Wales teams for the work undertaken.

HB noted that the Annual Report comprised of the three sections: the Financial Statements, the Performance Report and the Accountability Report. The Accountability Report had minor but not material amendments to be added prior to consideration by the Board on 25 June. These would be finalised imminently.

Committee Members sought assurance by asking the following questions:

Had consideration been given to the production of an easy-read version of the document for both staff and public and how is it communicated?

HB noted that the report is published in both English and Welsh through various Health Board channels and a summary version would be presented at the Annual General Meeting (AGM) in August which draws out elements around Performance, Quality and Finance.

Had any inconsistencies been discovered across the three reports?

MJ confirmed that no inconsistencies had been identified.

The Chair and Chief Executive both expressed thanks to the work undertaken by the Finance, Audit Wales, Internal Audit, Corporate Governance, People and Culture, Performance, Estates and others across the organisation in the production of the report

The Committee **NOTED** the content of the report;

- **NOTED** the accounts had been subject to a statutory audit by Audit Wales;
- **NOTED** the responses to enquiries of management and those charged with governance and;
- **RECOMMENDED** to the Board at its meeting on 25 June 2025 the approval and signature of the Annual Report and Financial Accounts for year ended 31 March 2026.

5.6 ENQUIRES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE (ARA/25/036)

PH presented the proposed response to the Audit Enquiries Letter 2024/25 for scrutiny and comments.

MJ confirmed that Audit Wales were content with the proposed response.

The Committee **NOTED** the proposed response.

5.7 RISK APPETITE (ARA/25/037)

HB provided an overview of the proposed revisions to the Board's Risk Appetite Statement as discussed at the meeting of the Board on 21 May 2025. The Board requested that the Audit, Risk and Assurance Committee discuss the proposals in relation to Financial Sustainability, to formulate a consensus and make a recommendation to the Board at its next meeting on 30 July 2025. The Board also recognised that there were differing opinions on the way in which the risk category of Financial Sustainability should be categorised in terms of appetite. The Committee recognised the importance of clarity within the statement to guide activity and the need to deliver the level of transformation required.

The Committee discussed the options of categorisation of both Cautious and Minimal given the significant challenges faced by the Health Board. It was felt that the Cautious category was not consistent with the Health Board's position and did not resonate the Health Board's direction. Members discussed the potential break down elements of the Financial Sustainability category to demonstrate more detailed considerations.

Members discussed a deconstructed approach which would split Financial Sustainability into three distinct categories: Financial Governance, Financial Sustainability and Financial Investment, recognising the impact on decision making. Members discussed the potential of creating complexity and cautioned against the creation of too many risk appetite categories and sub-categories.

It was noted that further work was required to integrate risk appetite centrally to support decision making. The Committee suggested that the Finance and Performance Committee should take a view of the approach given the ownership of Financial Sustainability risk. This would be shared with the Committee at its next meeting on 26 June 2025.

The Committee **RECEIVED** and **DISCUSSED** the proposed revisions to the Board's Risk Appetite Statement for financial sustainability.

Work would be undertaken to revise the categorisation of financial risks in line with the discussion held and an updated Risk Appetite Statement would be circulated to members electronically prior to recommendation to the Board in July 2025.

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/25/038)
No other urgent business was raised.
8.2 ITEMS TO BE BROUGHT TO THE ATTENTION OF THE BOARD AND OTHER COMMITTEES (ARA/25/039)
It was NOTED that further work was required to clarify the categorisation of financial risks within the Risk Appetite Statement, and the proposed approach which be shared with the Finance and Performance Committee on 26 June 2025 prior to presentation of the revised Risk Appetite Statement for approval at the meeting of the Board in July 2025.
8.3 COMMITTEE REFLECTIONS (ARA/25/025)
The following feedback was noted: <ul style="list-style-type: none"> • Good debate around risk appetite • Gained an understanding of links between Committees and subgroups e.g. (RPB) • Purposeful and timely meeting • An induction for Audit, Risk and Assurance Committee members was due to be established in early Autumn to support the Committees new members in understanding their roles and responsibilities.
8.4 DATE OF NEXT MEETING
The date of the next meeting is scheduled on 08 July 2025 at 10:30 via Microsoft Teams.

Meeting closed at 11:57