AUDIT, RISK AND ASSURANCE COMMITTEE (ARAC)

CONFIRMED MINUTES OF THE MEETING HELD ON 07 JULY 2026
HELD VIA MICROSOFT TEAMS

MEMBERS		
Steve Elliot	SE	Independent Member (Finance) (Chair)
Ronnie Alexander	RA	Independent Member (General)
Mick Giannasi	MG	Independent Member (General) (Vice Chair)
Ian Thomas	IT	Independent Members (General)
IN ATTENDANCE		
Helen Bushell	HB	Director of Corporate Governance/Board Secretary
Andrea Calise	AC	Internal Audit
Bethan Hopkins	BH	Audit Wales
Pete Hopgood	PH	Executive Director of Finance, Capital and Support Services and Deputy Chief Executive
Elaine Lorton	EL	Executive Director of Primary Care, Community and Mental Health
Neil Jones	NJ	Counter Fraud
Beth Jones	BJ	Corporate Governance Officer
Beth Powell	BP	Corporate Governance, Risk and Assurance Officer
Matthew King	MK	Deputy Director of Therapies and Health Sciences
Amanda Smart	AS	Head of Information Governance, Records and Data Protection Officer
Sarah Pritchard	SP	Assistant Director of Finance
Hywel Pullen	HP	Deputy Director of Finance (Deputising for Pete Hopgood)
Ian Virgil	IV	Head of Internal Audit
APOLOGIES FOR ABSENCE:		
Carl Cooper	CC	PTHB Chair
Vicki Cooper	VC	Chef Digital Data Officer
Amanda Legge	AL	Post Payment Verification Manager
Rhobert Lewis	RL	Independent Member (General)
Claire Madsen	CM	Executive Director of Allied Health Professions, Health Sciences and Digital
Hayley Thomas	HT	Chief Executive

1. PRELIMINARY MATTERS

1.1 WELCOME AND APOLOGIES FOR ABSENCE (ARA/26/041)

Attendees were welcomed and apologies for absence were received and recorded as noted above.

1.2 DECLARATIONS OF INTEREST (ARA/26/042)

No declarations of interests were received in addition to those already recorded on the register.

2. CONSENT AGENDA BUSINESS

The Chair asked Members if they wished to bring forward any items from the Consent agenda to the main agenda. It was highlighted that the Internal Audit Report on Standards of Behaviour, that a number of Declarations of Interest had not been completed, particularly by staff with budgetary responsibilities.
It was agreed that further discussion would be considered under the Declarations of Interests, Gifts and Hospitality Report item on the agenda

The Committee **NOTED** the reports contained within the Consent agenda.

3. ITEMS FOR APPROVAL / DECISION / RATIFICATION

3.1 MINUTES OF PREVIOUS MEETING (ARA/26/043)

The minutes of the meeting held on the 23 June 2026 were **CONFIRMED** as an accurate record.

3.2 COMMITTEE ACTION LOG (ARA/26/044)

The Committee **RECEIVED** the Action Log, and the following updates were provided:

HB confirmed that the Annual Accounts had been submitted and signed by the Auditor General following the previous meeting of Audit, Risk and Assurance and the Board meeting held on 24 June 2026.

ARA/25/090: Internal Audit Annual Plan- A map was shared with members regarding audit related assurance activity and would be incorporated into the Audit Handbook. The action was AGREED for closure.

ARA/26/004: Action Log criteria for closure- Action due for completion in October 2026.

ARA/26/019: Risks associated with overdue Policies and Written Controlled Documents- Action due for completion in October 2026.

ARA/26/017: Single Tender Waiver contract specification and formal tender process update- SP provided an update that three Single Tender Waivers (STW) had been approved for the secure transport of patients with complex mental health needs while a formal procurement process was underway. Although relevant frameworks existed, no framework providers were located in close proximity to Powys. The use of three providers ensured cost-effective and timely transport across North, Mid and South Powys and provided sufficient capacity and resilience where multiple patient transfers were required.

Members discussed broader governance considerations relating to single tender waivers, procurement arrangements, conflicts of interest, and lessons arising from issues reported elsewhere in NHS Wales. RA sought assurance that appropriate controls, oversight, and declarations of interest processes were in place, and that there were no comparable risks within the Health Board.

HB acknowledged the concerns raised and advised that further assurance would be sought to confirm that appropriate procurement, review and oversight processes were in place and that no similar issues existed within the Health Board.
Action: Assistant Director of Finance

The Committee requested that actions be progressed and discharged as promptly as possible, with completion reported to the Committee in a timely manner rather than waiting for the next meeting. The action log would continue to record and track the closure of actions.

The Committee **RECEIVED** the Action Log along with the recommendations contained within it.

4. ESCALATED ITEMS

There were no items for inclusion in this section.

5. ITEMS FOR ASSURANCE

5.1 INTERNAL AUDIT PROGRESS REPORT 2026/2027 (ARA/26/045)

IV presented the Internal Audit Progress Report for 2026/27, including the completion of one audit which had been given a Substantial Assurance Rating, with a further two audits in progress. Two audits from the 2025/26 plan were resubmitted for consideration. Minor timetable revisions to two planned audits were noted and were not considered a significant risk to delivery. The Committee also received assurance that completed actions recorded on the Health Board's recommendation tracker had been appropriately evidenced and implemented.

SE sought assurance that the Planned Core Financial Systems audit would consider actions arising from Audit Wales' previous findings related to capital systems. It was confirmed that Internal Audit would take account of agreed management actions and review progress made in addressing the recommendations.

MG welcomed the validation work undertaken on completed audit actions and sought clarification on the process. IV confirmed that annual sample testing was routinely undertaken to verify that actions recorded as complete have been fully implemented and supported by appropriate evidence, providing assurance within the Health Board's recommendation tracker.

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

5.2 INTERNAL AUDIT REPORTS: BUDGET SETTING, MORTALITY REVIEWS (ARA/26/046)

Budget Setting:

The Committee noted the **Reasonable Assurance** opinion for the Budget Setting and Financial Planning Audit. While governance and budget-setting arrangements were found to be effective overall, four improvement actions were identified relating to budgetary control procedures, monitoring of budget-holder training, accountability letters, and the timely development of savings schemes.

PH outlined improvements introduced through the Financial Recovery Board and savings management processes. It was confirmed that budget-holder training arrangements would be reviewed and strengthened, with consideration given to implementing improvements earlier than the proposed target date.

Mortality Review:

IV presented the Internal Audit Report on Mortality Reviews, which received an overall Reasonable Assurance rating. It was noted that appropriate mortality review processes were in place, although Limited Assurance was provided for one audit objective due to staffing vacancies affecting the timely review and recording of cases referred by the Medical Examiner. One high-priority and six medium-priority recommendations were identified and accepted by management.

The Committee discussed the importance of ensuring that mortality reviews were completed promptly and that learning from deaths was effectively captured and acted upon. Clarification was sought regarding the management of Medical Examiner referrals, learning from deaths occurring outside Powys, and arrangements for monitoring implementation of actions.

It was agreed that the specific issues raised regarding the scope of mortality reviews and assurance on the management of Medical Examiner referrals would be referred to the Patient Experience, Quality and Safety (PEQS) Committee for further consideration and assurance.

Action: Director of Corporate Governance

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

5.3 EXTERNAL AUDIT PROGRESS REPORT (ARA/26/047)

BH presented the Audit Wales Progress Report and provided an update on current and planned audit work.

The Committee noted that reports relating to Agency Staff, Urgent and Emergency Care and Managing Estates were expected to be presented later in the year, alongside ongoing Structured Assessment work, a follow-up review of Workforce Planning, and the planned All-Wales review of Diabetes Management and Prevention.

The Committee discussed the volume and timing of forthcoming audit reports and the importance of receiving reports as early as possible to support effective scrutiny.

The Committee highlighted the potential resource implications arising from the substantial number of recommendations expected from forthcoming internal and external audit reviews. HB acknowledged the challenge and advised that work continued with auditors to ensure recommendations were clear, proportionate and focused on key improvement priorities.

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

5.4 EXTERNAL AUDIT REPORTS: URGENT AND EMERGENCY CARE: ARRANGEMENTS FOR MANAGING DEMAND (ARA/26/048)

The Committee received the Audit Wales report on Urgent and Emergency Care: Managing Demand. It was noted that the audit formed part of a wider programme of work on urgent and emergency care and focused on the Health Board's arrangements for managing demand and reducing unnecessary pressure on the system.

The audit found that the Health Board utilised comprehensive data to inform decision-making and planning. However, further action was required to improve access to alternative care pathways, strengthen patient and staff engagement, and clarify resource requirements. Nine recommendations were made, and the associated management responses were presented within the report.

The Committee commented that a number of the management responses appeared too high level and did not provide sufficient confidence regarding the breadth, depth or impact of the proposed actions. Particular reference was made to recommendations 1 and 8, which related to the six goals, noting that one response appeared dependent on recurrent funding. The Committee sought assurance that management responses were robust, meaningful and capable of delivering tangible improvements, and requested clarification on whether reporting arrangements relating to the six goals would be reviewed.

Audit Wales welcomed the feedback and confirmed that it would continue to work with the Health Board to ensure recommendations and management responses were clear.

The Committee **RECIEVED** the External Audit reports.

5.5 AUDIT FINDINGS TRACKER (ARA/26/049)

HB presented the revised Internal and External Audit Recommendations Tracker and outlined enhancements made following previous Committee feedback, including improved analysis of overdue actions, revised deadlines and progress against recommendations.

The Committee noted that 51% of internal audit actions had been completed since the previous report. Updates were provided on outstanding high-priority actions, including mental health recommendations which were expected to be completed by the end of August 2026. HB explained that the report also provided greater visibility of high-priority and limited assurance recommendations, together with the reasons for delays and progress against actions. The Committee noted that 54% of external audit recommendations had been completed and welcomed the continued development of the reporting format to support effective scrutiny and assurance.

Members welcomed the improvements made to the report and suggested that future versions place greater emphasis on residual risk. It was recognised that while the enhanced analysis within the report was helpful, the detailed tracker spreadsheet was difficult to review and was primarily useful for checking the underlying detail. It was suggested that the tracker be provided separately as background information, allowing reports to focus on key findings, trends and risk analysis. Management welcomed the feedback and agreed to consider providing the detailed tracker separately to support more focused committee reporting.

The Committee:

- **DISCUSSED** the current position of Internal and External audit findings that remained overdue and findings that have had their deadlines revised;

- **CONSIDERED** the current position of all Internal and External Overdue audit findings given High Priority ratings and;
- Took **ASSURANCE** that the organisation has an appropriate system for tracking and responding to audit findings.

5.6 INFORMATION GOVERNANCE AND RECORDS MANAGEMENT ANNUAL REPORT (ARA/26/050)

HB presented the Information Governance and Records Management Annual Report, highlighting continued growth in demand across Freedom of Information (FOI) requests, Subject Access Requests (SARs), Data Protection Impact Assessments (DPIAs) and other information governance activities. Performance remained strong, including compliance rates of 92% for FOI requests and 98% for SARs.

The Committee noted improvements in mandatory Information Governance training compliance, increasing from 77% to 81%. Members also noted the increased complexity in requests and the impact of artificial intelligence on Information Governance processes.

Independent Members sought assurance by asking the following questions:

How was the Health Board addressing emerging information governance risks, including those associated with the increasing use of artificial intelligence (AI), and were there opportunities to use technology more proactively to strengthen governance and risk management arrangements?
HB advised the Committee that the Information Governance team was currently at full establishment, although a number of posts remained on fixed-term contracts. In light of ongoing financial pressures, the focus was on maintaining capacity to deliver key compliance requirements and prioritising resources effectively, rather than expanding the team.

AS explained that the increased use of AI was creating challenges in managing information requests, and that an AI policy, together with supporting guidance and training for staff, was under development to support compliance and consistent handling of AI-related requests.

What additional measures were being taken to improve mandatory information governance training compliance?
AS responded that actions were underway to improve information governance training compliance and that ongoing awareness and training activities were being used to strengthen Datix incident reporting compliance.

What further actions were planned to strengthen compliance with incident reporting requirements and reduce the number of unreported incidents?
AS explained that delays in incident reporting were largely due to service capacity pressures and that regular reminders were issues to promote timely reporting to the Organisation.

The Committee commended the work of the Information Governance team and recognised the significant progress made in maintaining compliance and supporting organisational governance.

The Committee:

- **DISCUSSED** the actions identified to improve compliance
- **APPROVED** the 2025-2026 Information Governance and Records Management Annual Report
- Took **ASSURANCE** from the reported activities undertaken and performance in maintaining compliance with legislation, standards and regulator guidance.

5.7 COUNTER FRAUD UPDATE (ARA/26/051)

NJ presented the Counter Fraud Progress Report and advised that, whilst the service continued to experience capacity challenges, arrangements were in place to provide ongoing Counter Fraud support and assurance to the Health Board.

The Committee noted progress against the NHS Counter Fraud Standards, including completion and submission of the Counter Fraud Functional Standards Return, ongoing fraud awareness activity, staff engagement through training and communication campaigns, and continued delivery of the Counter Fraud work plan. It was also noted that there were 15 live investigations and one case had been closed during the reporting period.

Members discussed the impact of service capacity constraints, staff awareness of Counter Fraud arrangements, the potential benefits of mandatory Counter Fraud training, and the length of time some investigations remained open. Assurance was provided that reports and referrals continued to be received and investigated, although progression of some cases had been affected by resource limitations.

The Committee noted that appropriate Counter Fraud systems and processes were in place, however recognised that capacity challenges were impacting the pace of delivery and progression of some aspects of the work programme.

The Committee **NOTED** and **APPROVED** the Counter Fraud Work Plan 2026/27 and **NOTED** that, whilst appropriate systems and processes were in place, capacity challenges had impacted the pace of delivery against elements of the work programme.

5.8 WELSH HEALTH CIRCULAR AND MINISTERIAL DIRECTIONS REPORT (ARA/26/052)

HB presented the Welsh Health Circulars and Ministerial Directions Compliance Report and advised that, whilst further development of the report was planned, current effort had been prioritised towards strengthening Audit Recommendation reporting.

The report provided an overview of compliance status, including completed, partially completed and outstanding actions.

EL provided an update against three actions where no progress had been reported:

- The Primary Medical Services minor surgery requirements had been fully implemented.

- The Outpatient Waiting List Appointment Scheme (OWLAS) pilot had been completed and evaluated, with further consideration being given to future arrangements.
- The Mental Health Quality Statement was being delivered through existing quality and safety arrangements and was expected to be fully implemented.

Members discussed opportunities to further develop the report, including greater visibility of risks, differentiation between actions within and outside the Health Board's control, and learning from good practice across other Health Boards.

The Committee noted that the next routine update report was scheduled for March 2027. Members acknowledged the resource implications of producing interim reports and agreed that routine reporting should continue, with management bringing forward an exception report, should any significant issues or delays be identified.

The Committee **CONSIDERED** and **RECEIVED** the report in recognition that the position would be reported to Audit Wales, Internal Audit and Welsh Government for scrutiny and reviewed as part of the Annual Report 2025/26.

The meeting adjourned for a ten-minute comfort break at 11:35.

5.9 ORGANISATIONAL REGISTER OF INTERESTS, GIFTS AND HOSPITALITY (ARA/26/053)

HB presented the Declarations of Interest and Gifts and Hospitality Report, noting that following changes to the Standards of Behaviour Policy in May 2025, the requirement to submit declarations had been extended to Budgetary Approvers.

The Committee noted that 770 declarations had been received and that compliance amongst budget approvers had improved, reducing the gap identified through Internal Audit from 23% to 16%. It was acknowledged that further work was required to achieve full compliance.

IV confirmed that Internal Audit had recognised the progress made in implementing declarations for budget holders and that this had contributed to the Substantial Assurance rating, with the remaining gap assessed as a medium-priority issue.

HB also provided an update on the Gifts and Hospitality Register, noting ongoing work to improve staff awareness and reporting. Members were advised that many enquiries were resolved appropriately before requiring formal registration.

The Committee noted that enquiries relating to declarations of interest and gifts and hospitality were occasionally received through Freedom of Information requests and were managed through established processes.

The Committee **RECEIVED** the contents of the Declarations of Interests and Gifts and Hospitality Register; and took **ASSURANCE** that the organisation has appropriate processes to support the collection, management and reporting in line with the Standards of Behaviour Policy.

5.10 COMMITTEE GOVERNANCE ACTION PLAN (ARA/26/054)

HB presented the Committee Governance Action Plan and reminded members of the revised approach to committee effectiveness reviews, whereby formal effectiveness assessments are undertaken biennially, supported by interim workshops and Board development sessions.

The Committee noted progress against the actions within the plan and received assurance that a further update on delivery and outcomes would be provided later in the year.

RA emphasised the importance of ongoing Board member financial training and sought assurance regarding delivery arrangements. HB confirmed that a finance development session would be held during the summer and that arrangements would be made for members unable to attend to access the training.

Members discussed the value of independent external review of governance and committee effectiveness. HB advised that assurance was currently provided through Structured Assessment and Internal Audit reviews, and that options for external peer review at Board level were being explored.

The Committee **NOTED** and **RECEIVED** the Committee Governance Action Plan.

6 ITEMS FOR DISCUSSION (ARA/26/055)

There were no items for discussion.

7 CONSENT AGENDA (ARA/26/056)

The following reports were **RECEIVED** as part of the consent agenda:

- Committee Risk Register Update
- Confirmation of Clinical Audit Programme
- Single Tender Waivers
- Committee Work Programme 2026/2027
- PTHB Glossary
- Internal Audit Reports: (Substantial Assurance) Standard of Behaviour

The Committee **NOTED** the reports contained within the Consent Agenda. Members had previously highlighted specific issues arising from a small number of reports during earlier agenda items; however, no reports were requested to be moved for detailed discussion.

The Committee **RECEIVED** and **NOTED** the update that the next Committee Risk Register will be presented at the next meeting in October 2026.

8 OTHER MATTERS

8.1 ANY OTHER BUSINESS (ARA/26/057)

No other business was raised.

8.2 ITEMS TO BE BROUGHT TO THE ATTENTION OF THE BOARD AND/OR OTHER COMMITTEES (ARA/26/058)

It was agreed that issues arising from the Internal Audit of Mortality Reviews, specifically regarding Medical Examiner processes and associated assurance

arrangements, would be referred to the Patient Experience, Quality and Safety (PEQS) Committee for further consideration and assurance.

The Committee **NOTED** the referral.

8.3 COMMITTEE REFLECTIONS (ARA/26/059)

The Committee reflected positively on the meeting and the opportunity to explore a number of issues in greater depth.
IT noted the significant volume of audit and assurance work expected later in the year and highlighted the importance of preparing for future Committee business.

MG reflected that the Health Board generally had strong governance arrangements, controls and processes in place, with the ongoing challenge being organisational capacity, prioritisation, timeliness and consistent implementation. He suggested that continued focus was needed on how resources, technology and scrutiny processes could be optimised.

HB agreed that prioritisation remained a key organisational challenge and advised that further discussion would take place through Board Development sessions and Executive Team discussions. HB thanked members for the constructive challenge and positive working environment that supported open and honest discussion.

The Chair thanked members and officers for their contributions and reflected positively on the conduct of the meeting.

8.4 DATE OF NEXT MEETING (ARA/26/060)

06 October 2026 via Microsoft Teams

8.5 CONFIDENTIAL MATTERS

The following motion was passed:
"Representatives of the press and other members of the public shall be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest"

Meeting closed at 12:39.