



**GIG**  
CYMRU  
**NHS**  
WALES

Bwrdd Iechyd  
Addysgu Powys  
Powys Teaching  
Health Board

## AUDIT, RISK AND ASSURANCE COMMITTEE (ARAC)

### **CONFIRMED** MINUTES OF THE MEETING HELD ON 13 JANUARY 2026 HELD VIA MICROSOFT TEAMS

<b>MEMBERS</b>		
Steve Elliot	SE	Independent Member (Finance) (Chair)
Ian Thomas	IT	Independent Member (General)
Ronnie Alexander	RA	Independent Member (General)
Rhobert Lewis	RL	Independent Member (General)
<b>IN ATTENDANCE</b>		
Pete Hoppood	PH	Executive Director of Finance, Capital and Support Services and Deputy Chief Executive
Helen Bushell	HB	Director of Corporate Governance/Board Secretary
Claire Madsen	CM	Executive Director of Allied Health Professions, Health Sciences and Digital
Bethan Hopkins	BH	Audit Wales
Mike Jones	MJ	Audit Wales
Ian Virgil	IV	Head of Internal Audit
Martyn Lewis	ML	Internal Audit
David Owen	DO	Assistant Director of IT and Digital
Sarah Pritchard	SP	Assistant Director of Finance
Stella Gwynne	SG	Deputy Board Secretary
Louisa Steele	LS	Counter Fraud
Hayley Thomas	HT	Chief Executive
Carl Cooper	CC	PTHB Chair
Jayne Lawrence	JL	Assistant Director of Primary Care ( <i>Item 5.7 only</i> )
Amanda Legge	AL	All Wales Post Payment Verification Manager ( <i>Item 5.7 only</i> )
Sue Tillman	ST	Post Payment Verification Manager ( <i>Item 5.7 only</i> )
<b>APOLOGIES FOR ABSENCE:</b>		
Mick Gianassi	MG	Independent Member (General)
Elaine Lorton	EL	Executive Director of Primary Care, Community and Mental Health
Matthew Evans	ME	Counter Fraud
Kirsten Jones	KJ	Llais

## 1. PRELIMINARY MATTERS

### **1.1 WELCOME AND APOLOGIES FOR ABSENCE (ARA/25/070)**

The Chair welcomed everyone to the meeting. Apologies for absence were received as recorded above.

### **1.2 DECLARATIONS OF INTEREST (ARA/25/071)**

No declarations of interest 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 and noted that the Committee had previously agreed that any substantial assurance audit reports would be reported via the consent agenda. No items were requested for inclusion in the main agenda.

## **3. ITEMS FOR APPROVAL / RATIFICATION**

### **1.3 MINUTES OF PREVIOUS MEETING (ARA/25/072)**

The minutes of the meeting held on the 7 October 2025 were **CONFIRMED** as an accurate record subject to the following amendment:

- On p6 of the minutes, regarding Did Not Attend (DNA) data, the action identified in relation to theatre utilisation/data for cancelled operations should have been assigned to the Executive Director of Primary Care, Community and Mental Health.
- A few typo's were identified particularly in 'received' and 'assurance' in the capitalised sections.

The following matters arising were raised by Committee Members:

- On p6 of the minutes, regarding Did Not Attend (DNA) data, the action identified in relation to theatre utilisation/data for cancelled operations has not been transferred to the latest iteration of the Action Log.
- It was queried how the utilisation of co-pilot AI had supported the development of the minutes, HB noted that a pilot had been run with x3 licenses deployed across the Corporate Governance team. The findings of the pilot were under review with the anticipation that further AI use would be rolled out in the next financial year.

### **1.4 ACTION LOG (ARA/25/073)**

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

- ARA/25/032 (Regional Partnership Board (RPB) Memorandum of Understanding (MoU)): HB highlighted that discussions had been held to clarify reporting points and purpose between the RPB and Health Board. An extension to the target date to March 2026 was requested to enable the finalisation of the document.
- ARA/25/052 (Grant Thornton Review Report): HT confirmed that it was anticipated that the draft report would be shared at the forthcoming Board Development. It was noted that Welsh Government were in active discussion with the Health Board on the report, with a meeting due between Welsh Government and Grant Thornton that week, the report could then be shared as appropriate.

## **4. ESCALATED ITEMS**

There were no items for inclusion in this section.

## **5. ITEMS FOR ASSURANCE**

### **5.1 INTERNAL AUDIT PROGRESS REPORT (ARA/25/074)**

IV provided a summary of the Internal Audit Progress report for 2025/2026 and attention was drawn to a table which provided an update on several audits that had been planned for delivery and reporting to the Committee. These audits had not been finalised in time to be presented at the meeting. This was due to a combination of slow progress, challenges in obtaining necessary information, and some engagement issues from the Health Board. An overview of the progress with the delivery of the audit plan was provided as follows:

- Two audits had been planned but were delayed
- One report was in draft,
- Seven reports had been finalised, with five included in the meeting's agenda with two included within the consent agenda. The remainder would be presented to the next meeting.
- Two adjustments to the plan were requested:
  - Digital Operating Model – Identified for removal from the plan due to duplication of coverage with the Structured Assessment Deep Dive into Digital Systems being undertaken by Audit Wales. Removal has been agreed with the Executive Director of Allied Health Professions, Health Science and Digital.
  - Community Care – Proposed that the timing of this audit is moved from Quarter 2 to Quarter 4 due to further discussions required to agree the scope and the availability of Internal Audit resources to deliver the work.

Independent Members welcomed the mechanism for providing early sightedness of finalised reports and HB noted that work was underway to develop report titles to provide greater clarity regarding scope rather than topic area.

Assurance was sought by members regarding the delay to the Asbestos Management audit and the mechanisms in place tracking any previously identified areas of concern. HT confirmed the policy and process in regard to asbestos management was well established and agreed that the previous report could be shared with Committee members for sightedness.

The Committee:

- NOTED the Internal Audit Progress Report, including the findings and conclusions from the finalised audit reports, and
- APPROVED the proposed adjustments to the 2025/26 plan.

### **5.2 INTERNAL AUDIT REPORTS (ARA/25/075)**

IV introduced the item and noted that a summary of the following reports would be provided:

a) Digital Systems Uptake (Limited Assurance)

ML presented the report and highlighted that the report by necessity was retrospective in nature, therefore it was recognised that the new Benefits Management Framework had yet to be fully embedded. The key matters for management attention highlighted within the report were:

- Not all benefits had been fully defined and tracked;

- Not all projects had included a defined training stage;
- There was no established Change Management Framework, and change management was generally delivered by project managers;
- There was no overall uptake dashboard for tracking purposes; and
- The analysis of low update causes was not always rigorous.

Independent Members sought assurance by asking the following questions: *Was there a high incidence of resistance to change or were staff generally positive?*

CM noted that the report encapsulated a variety of projects so there would be variation, with some delivered by Digital Health and Care Wales (DHCW) and some by the Health Board. It was noted that due to limited budgets often funding must be prioritised therefore a cascade approach is often required due to limitations. DO reiterated that there had been no strength in resistance to change, however, digital capacity and operational capacity issues remained a challenge. It was highlighted that the digital teams are always looking to enhance capacity but also that investment must be realistic and proportionate in the current financial context.

*Would the audit be reviewed in the 2026/27 audit plan?*

IV confirmed that a follow up review would be undertaken in 2026/27 as with all limited assurance audits, progress would also be tracked via the Health Board's audit tracking process.

#### b) Continuing Healthcare (CHC) (Reasonable Assurance)

Independent Members sought assurance by asking the following questions: *Considering the focus of the forthcoming Grant Thornton review on CHC and the recent deep dive by the Finance and Performance Committee, did a mechanism for more regular review of actions need to be considered?*

RA, the Chair of Finance and Performance Committee agreed the need to reflect on the approach to CHC's and tracking actions more broadly. HB agreed this would be integrated into work programmes, particularly Finance and Performance Committee, and an action was agreed to ensure tracking of progress against key actions arising from the Grant Thornton review.

**Action: Director of Corporate Governance.**

#### c) Mental Health and Learning Disability (MH&LD) Triage and Assessment Process (Reasonable Assurance)

Independent Members suggested that the management actions in response to Finding 4 could be clarified for succinctness. IV recognised that work would be continued into 2026/27 to ensure greater clarity of findings and management responses.

#### d) Core Financials (Reasonable Assurance)

Independent Members sought assurance by asking the following questions: *There is reference in the report to debt dating back as far as 2006, is this still current or had it been written off? Would this debt be covered by the severe debt provision if needed?*

PH confirmed that a small percentage had been identified, which would be rigorously reviewed in light of the audit. A process was in place regarding severe debt and there was no risk to the financial position from such debts.

e) Decontamination (Reasonable Assurance)

The Committee NOTED and DISCUSSED the Internal Audit reports.

### **5.3 INTERNAL AUDIT TREND REPORT (ARA/25/076)**

IV presented the item which provided the Committee with information regarding trends and themes that can be identified through the analysis and review of the outcomes from previous internal Audits. The following areas of analysis were presented:

- Outcomes of Powys Audits from 2019/20 to date, benchmarked to the All-Wales position;
- Assurance ratings of Powys Audits from 2019/20 to date, benchmarked to the All-Wales position;
- Assurance ratings by domain for Powys from 2019/20 to date, benchmarked to the All-Wales position;
- Powys findings 2019/20 to date;
- Top 10 themes for Powys from 2019/20 to date benchmarked to the All-Wales position; and
- Definitions and key observations for considers.

HB welcomed the report and acknowledged the richness of data. It was confirmed that the Executive Committee would review the findings and factor analysis into the development of the 2026/27 audit plan. Thanks were expressed to Internal Audit colleagues for the helpful report.

Independent Members sought assurance by asking the following questions: *Over the reporting period there had been over 100 high priority findings, was there assurance that these had been dealt with?*

HB noted that the Audit Tracking report was due to come to the next meeting of the Committee which would identify all outstanding high priority audit findings.

The Committee RECEIVED the presentation as a basis to consider data trends over the reported period and where appropriate inform future Internal Audit Planning.

### **5.4 EXTERNAL AUDIT PROGRESS REPORT (ARA/25/077)**

BH presented the report which provided an update on the current and planned accounts and performance audit work for the Health Board. It was noted that a correction was required to p6 of the report in regard to the Structured Assessment which was due to be submitted to the Health Board for clearance by the end of that week. BH also recognised that a high number of finalised reports were anticipated to report into the March meeting of the Committee and that she would remain in contact with HB to ensure appropriate scheduling.

MJ confirmed that the Charitable Funds Accounts audit had been completed and had reached an unqualified opinion. The accounts would be submitted

to the Auditor General for Wales by the end of January 2026. MJ also noted that the review of the Health Board's accounts had begun, with Audit Wales and the Health Board in joint agreement to commence the audit early for 2025/26.

The Committee NOTED the External Audit progress report.

### **5.5 COUNTER FRAUD UPDATE AND REPORT (ARA/25/078)**

LS provided an update to the Committee on key areas of work undertaken by the Local Counter Fraud Specialists during 2025/26.

Independent Members sought assurance by asking the following questions:  
*Where there any concern regarding delivery of the plan on the context of absence within the team?*

LS noted some pressure areas in regard to strategic governance, however Powys continued to engage across all Health Boards to remain current. There were no other issues to escalate, and it was confirmed that the Health Board would meet the agreed work programme.

*The numbers of staff working elsewhere whilst sick appeared high, were there any concerns regarding this?*

LS confirmed that work was ongoing to analyse data and raise awareness within the Health Board. HT shared the concern and suggested she would raise the issue with the Director of People and Culture for awareness.

The Committee RECEIVED the update report for discussion and took ASSURANCE that appropriate counter fraud systems were in place.

### **5.6 ASSURANCE OF RISK MANAGEMENT ARRANGEMENTS (ARA/25/079)**

HB presented the item which provided a summary of the progress made and associated risks to the implementation and ongoing development of the Health Board's Risk Management Framework (RMF) and Board Assurance Framework (BAF). HB also welcomed comments and feedback on the proposed template for the Annual Review of Strategic Risk Assurance.

Independent Members sought assurance by asking the following questions:  
*What was the position regarding directorate risk arrangements and risk registers?*

HB noted that approaches and standards were variable, with work planned for the forthcoming year to support services and directorates to improve risk control.

*Whilst helpful, the proposed template was heavy on textual information, had modernised systems been considered to help condense information?*

HB welcomed the feedback and agreed this would be considered as part of further development.

The Committee:

- Took ASSURANCE regarding the progress made in the implementation of the RMF and BAF since the last report and the plans in place to further mature and integrate risk management;

- RECEIVED the proposed template for the Annual Review of Strategic Risk Assurance provided; and
- NOTED the current risks associated with the implementation of all aspects of the RMF and BAF.

### **5.7 POST PAYMENT VERIFICATION MID YEAR REPORT 2025 (ARA/25/080)**

*Jayne Lawrence, Amanda Legge and Sue Tillman joined the meeting.*

AL presented the report which provides a mid-year summary of Post Payment Verification (PPV) action and findings. The paper highlighted PPV progress and how practices have been performing over the current Post Payment Verification cycle. It also compared the overall performance of the Health Board against the national PPV visits.

Independent Members sought assurance by asking the following questions: *What was the balance between a lack of understanding of systems and process vs genuine fraud?*

AL confirmed the majority of cases were due to a lack of understanding and that PPV training events would continue to be delivered to all Health Boards and contractors when required, including one-on-one training requirements, particularly for new practice staff within the Primary Care setting.

The Committee RECEIVED the report and took ASSURANCE that effective PPV management was in place.

*Jayne Lawrence, Amanda Legge and Sue Tillman left the meeting.*

### **5.7 DIGITAL FIRST ANNUAL PLAN (ARA/25/081)**

DO presented the item which provided a summary of Year 2 of 3 of the Digital Strategic Framework (2023–2027), highlighting a commitment to a “Digital First” approach for Powys. The focus remained on delivering measurable benefits for patients, staff, and partners through digital innovation, aiming for safe, effective, and person-centred care.

Independent Members sought assurance by asking the following questions: *What was the mechanism for assurance regarding digital systems and were there any concerns regarding capacity?*

DO noted that there were several governance mechanisms from the Board and Board Committees to Clinical Service Boards, which the team attends. It was highlighted that the Powys team was the smallest in Wales, however there was a strong commitment in the team to growing capacity and capability.

Committee members raised concern regarding the integration of the NHS Wales App with NHS England. It was highlighted that the issue had been ongoing for several years, and with over 50% of the Powys population referred into NHS England concern was raised regarding the need to ensure that the Powys population was not at a disadvantage. CM recognised the concern and confirmed that the issue had been raised with Welsh Government and Digital Health and Care Wales (DHCW).

The Committee AGREED to ALERT the Board to ongoing compatibility issues within the NHS Wales App. Specifically, the lack of cross border functionality with NHS England, with no clear timescale for resolution. It was agreed that further exploration of the issue would be undertaken to identify if it were specific to Powys patients or relevant across NHS Wales. **Action: Director of Allied Health Professionals, Health Sciences and Digital.**

The Committee:

- Took ASSURANCE that appropriate arrangements were in place to ensure ongoing delivery of the Digital Strategic Framework, with considerable progress made to align with Ministerial digital priorities.
- Took ASSURANCE that relevant actions and workstreams were being implemented to enhance and modernise the Digital Services offering as outlined in the Framework.
- RECOGNISED that alongside these assurances and achievements, significant challenges remain; while digital solutions should enable faster discharge and more accurate transfer notes, delays with the Cross Border programme, competing national and local priorities, workforce pressures, and capacity constraints are slowing adoption across the organisation.

## **5.7 SINGLE TENDER WAIVERS (INCLUDING EXTENSIONS TO CONTRACTS) (ARA/25/082)**

SP presented the item and highlighted that there had been five Single Tender Waiver (STW) requests made between 25 September 2025 and 31 December 2025. These were the first STWs received in 2025/26. 3 of the STWs had arisen from Healthcare Research Wales (HCRW), a hosted body of PTHB, and were STWs due to their highly specialist nature.

Independent Members sought assurance by asking the following questions: *Given that 5 STWs had arisen in a short time period, and that there was a significant total value of around £400k, was there confidence that all requests satisfied all of the required criteria and were of an exceptional nature?*

SP confirmed that the timing was coincidental, with 1 linked to the North Powys Programme, 1 recurrent with a view to shifting to a clinic provider in the near future and the other 3 linked to a functional transfer into the Health Board from Welsh Government via HCRW. Whether the 3 HCRW STWs were to be recurrent was dependent on tripartite strategy decisions made between HCRW, Welsh Government and the Health Board.

Committee members noted their support for the STW in regard to the Parkway Clinic, however reiterated the importance of ensuring that there was no feasible procurement options before commencing a STW.

The Committee:

- NOTED the five Single Tender Waiver requests made between 25 September 2025 and 31 December 2025; and
- Took ASSURANCE relevant reporting and review mechanisms were in place.

## **6. ITEMS FOR DISCUSSION**

There were no items for discussion.
<b>7. CONSENT AGENDA</b>
The below reports were taken under the Consent Agenda and recommendations supported: <ul style="list-style-type: none"> <li>• <b>FOR ASSURANCE:</b></li> <li>• <b>7.1</b> Internal Audit Reports (Substantial Assurance) <ul style="list-style-type: none"> <li>○ Primary Care Clusters Project Management</li> <li>○ Staff Development Programme</li> </ul> </li> <li>• <b>7.2</b> Information Governance &amp; Records Management Report</li> <li>• <b>FOR INFORMATION:</b></li> <li>• <b>7.3</b> Committee Work Programme 2025/26</li> <li>• <b>7.4</b> PTHB Glossary</li> </ul>
<b>8. OTHER MATTERS</b>
<b>8.1 ANY OTHER BUSINESS (ARA/25/083)</b>
No other business was raised.
<b>8.2 COMMITTEE REFLECTIONS (ARA/25/084)</b>
The following feedback was noted: <ul style="list-style-type: none"> <li>• Well chaired and consistent approach/scrutiny from ARAC members and attendees;</li> <li>• Balance of strategic and more detailed discussions;</li> <li>• Acknowledged the level of detail in the papers produced; and</li> <li>• Productive discussions in key areas.</li> </ul>
<b>8.3 DATE OF NEXT MEETING (ARA/25/085)</b>
10 March 2026 via Microsoft Teams

*Meeting closed at 12:28.*