



**PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	20 February 2024
TEITL YR ADRODDIAD: TITLE OF REPORT:	Audit and Risk Assurance Committee (ARAC) Self-Assessment Outcome Report 2023/24
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Rhodri Evans, ARAC Chair Joanne Wilson, Director of Corporate Governance/Board Secretary
SWYDDOG ADRODD: REPORTING OFFICER:	Charlotte Wilmshurst, Assistant Director of Assurance and Risk

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Trafodaeth/For Discussion

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

The purpose of this report is to present to the Audit and Risk Assurance Committee (ARAC) the outcome of the ARAC Self-Assessment 2023/24 process.

Cefndir / Background

In line with Section 10.2.1 of Standing Orders, the Board is required to introduce a process of regular and rigorous self-assessment and evaluation of its own operations and performance and that of its Committees and Advisory Groups. Section 10.2.2 also states that each Committee must also submit an annual report to the Board through the Chair within 6 weeks of the end of the reporting year setting out its activities during the year and including the review of its performance and that of any sub-Committees it has established.

A refreshed approach to the Committee self-assessment process was developed in 2023 which was intended to be proportionate, achievable and add value to the organisation's governance capability. For ARAC, this involved:

- Short digital form which requested feedback on the following areas:
 - Governance and administration
 - Committee's inputs
 - Conduct of Committee meetings
 - Interface with other Committees, including the Board
 - Committee's impact
 - Individual role on Committee

The feedback from this form was considered alongside other information, such as:

- Matters escalated to the Board
- IM Reflective sessions
- Auditor/Regulator feedback

The ARAC Chair and Lead Executive met to consider the Committee's effectiveness to date based on responses from the above digital form and feedback from auditors/regulators and other intelligence on how the Committee currently operates, where it has made an impact and what it has shone a light on, and the areas where it could have done better.

Asesiad / Assessment

The ARAC Chair and Lead Director met to consider the responses from the digital form completed by Committee members, along with feedback from auditors/regulators and other intelligence on how the Committee currently operates, to ascertain where it has made an impact and what it has shone a light on, and the areas where it could have done better.

Look back at Committee's effectiveness over previous 12 months...

The below analysis was based on responses from the digital form and feedback from auditors/regulators and other intelligence on how the Committee currently operates:

We are really good at...

- The governance and administration of Committee, agendas and meeting flow.
- Good support from EDs/Deputies, clinical workforce attendance, good understanding of risks, concise papers.
- Effective chairing, conducive to open, transparent and productive debate with constructive challenge from IMs.
- Clear boundaries with other Committees, provides the Board with clear, concise information and gaps in assurance.
- Private meetings used appropriately.
- Satisfied with arrangements for risk management, control and governance, contributes to overall control of organisation.
- Assurance has been provided to Board – theatres, quality governance at BGH and orthopaedics, Strategic Programme Governance, execution of contracts, risk management, audit tracking and G-Cloud contracts.

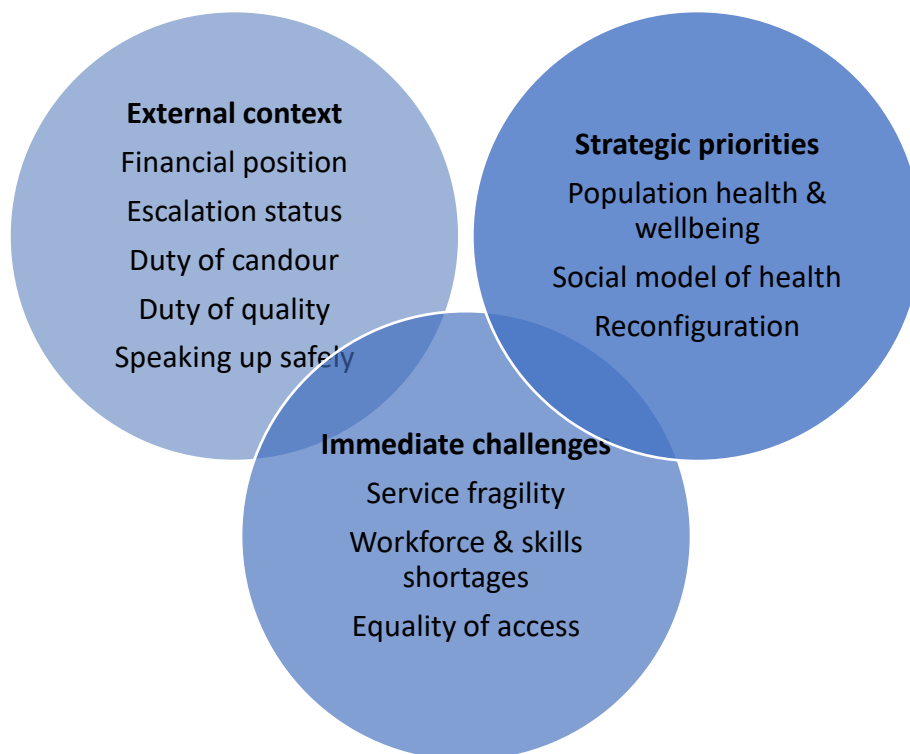
We are less good at...

Matters raised	Responses
<ul style="list-style-type: none"> • Quality and focus of some papers. • Variation in the way senior managers present reports and respond to audit reports. • IMs managing boundaries between scrutiny and operational detail. • Following up (with a timescale and escalate) areas where assurance cannot be provided to Committee and Board and obtaining clarity on the Board's expectations on matters. 	<ul style="list-style-type: none"> • These are common themes arising from the Committee self-assessments undertaken to date. • Work is underway to review the current reporting template which will be supported by guidance materials on how to write and present reports for Committees. • Work is also underway to review the Committee update report to ensure reports to Board are more focussed on the key matters to it wishes to advise, assure and alert the Board to.
<ul style="list-style-type: none"> • Officer member disagreements at meetings. 	<ul style="list-style-type: none"> • This has also been identified through other Committee self-assessments.

	<ul style="list-style-type: none"> The Interim Chief Executive is undertaking a review of the Executive Team and its supporting governance structure to ensure the Executive Team meet regularly to discuss key issues and work together more collaboratively.
<ul style="list-style-type: none"> Delays in audit reviews leading to agendas being pressured and could lead to the Committee being unable to fully scrutinise findings at meetings. Review of the adequacy of internal audit staffing and resource. 	<ul style="list-style-type: none"> These reflect the current capacity issues not just within the Health Board, but across the audit functions. Weekly meetings are already in place with Internal and External Audit to discuss progress and agree actions to reduce delays. Processes are in place to escalate potential delays in audit reviews to the ARAC Chair. The Committee should seek assurance on the deliverability of audit plans in terms of the adequacy of audit staffing and resource, prior to approval.
<ul style="list-style-type: none"> Ensuring the Committee is made aware of legal and regulatory issues. Receiving reports from key business areas such as Finance, HR and ICT 	<ul style="list-style-type: none"> Legal and Risk have previously advised that the value of Legislative Assurance Frameworks does not justify the time and effort to keep it up to date. Internal and external audits plans include reports in key business areas from across the organisation.
<ul style="list-style-type: none"> Need to remember the focus of the Committee and to handover to relevant Committees, where necessary, including internal and external reports. Assurance was not provided to Board on the following: ophthalmology, operational governance, G-Cloud, estates assurance and digital technical resilience. 	<ul style="list-style-type: none"> ARAC should request other Board Committees to include these areas in their workplans to seek further assurances, where appropriate. Follow-up reviews are undertaken on limited assurance reports. G-Cloud review to be reported to ARAC in February 2024.
<p>Suggested areas of focus for Committee:</p> <ul style="list-style-type: none"> Continue to scrutinise and maintain our current governance, scrutiny and risk management Productivity, planned care and financial performance Targeted Intervention status, in particular the delivery of savings Governance of fragile services and operational governance Risk 	<ul style="list-style-type: none"> Committee workplan for 2024/25 to include suggested areas (if not already included). Targeted Intervention report to Committee to be reviewed to provide assurance on delivery against WG directives and they are delivering the intended outcomes, eg delivery of agreed savings. Initial risk maturity assessment has been undertaken and will be presented to ARAC in February 2024.

Current context and challenges...

In order to set priorities for the next 12 months, it is important to understand the current challenges and what is being asked of the Health Board. These are set out below:



Actions to be taken forward:

The following actions will be taken forward by the Director of Corporate Governance/Board Secretary:

Action	By when
Review report template to simplify reporting and strengthen focus on delivery, impacts and outcomes.	Apr-24
Update report writing guidance for authors to reflect the need to focus less on process and more on delivery, impacts and outcomes	Apr-24
Review the Committee Update Report to strengthen reporting to the Board on the key discussion points of the meeting, and the areas it needs to advise, assure and escalate to the Board.	Apr-24
Continue to meet weekly with Internal Audit and Audit Wales to oversee progress of reviews and take appropriate action to reduce delays.	Apr-24
Discuss the deliverability of audit plans with both Internal Audit and Audit Wales, taking account of their staffing and resource, prior to approval by the Committee.	Mar-24
Consider developing a periodic legal and regulatory issues report for reporting to ARAC	Mar-24
Support the Committee to handover matters to relevant Committees, where necessary, including internal and external reports.	As and when
Committee workplan for 2024/25 to include suggested areas from digital form.	Apr-24
Review Targeted Intervention Report to strengthen the assurance provided to ARAC on the delivery against WG directives and that they are delivering the intended outcomes for the organisation	Apr-24

Argymhelliad / Recommendation

The Audit and Risk Assurance Committee is asked to consider the outputs from the Committee Self-Assessment process, and to agree the actions to be taken to improve its effectiveness.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	10.6 The Board Secretary, on behalf of the Board, shall oversee a process of regular and rigorous self assessment and evaluation of the Committee's performance and operation, including that of any sub-committees established. In doing so, account will be taken of the requirements set out in the NHS Wales Audit Committee Handbook.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not applicable
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	Not Applicable
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	Not Applicable
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Cynllunio Planning Objectives	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable

Gwybodaeth Ychwanegol:

Further Information:

Ar sail tystiolaeth: Evidence Base:	ARAC Terms of Reference ARAC Self-Assessment digital form results Auditor and Regulator feedback through Structured Assessment and Internal Audit reports
Rhestr Termâu: Glossary of Terms:	Included within report

Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg Parties / Committees consulted prior to Audit and Risk Assurance Committee:	ARAC Chair Director of Corporate Governance/Board Secretary
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Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	No direct impacts.
Ansawdd / Gofal Claf: Quality / Patient Care:	No direct impacts.
Gweithlu: Workforce:	No direct impacts.
Risg: Risk:	No direct impacts.
Cyfreithiol: Legal:	No direct impacts.
Enw Da: Reputational:	No direct impacts.
Gyfrinachedd: Privacy:	No direct impacts.
Cydraddoldeb: Equality:	No direct impacts.