

**COFNODION Y CYFARFOD PWYLLGOR ARCHWILIO A SICRWYDD RISG  
HEB EU CYMERADWYO / UNAPPROVED MINUTES OF THE AUDIT AND RISK  
ASSURANCE COMMITTEE MEETING**

**DATE OF MEETING:** 9:00 AM, Tuesday 10 February 2026

**VENUE:** Virtual via Microsoft Teams

**PRESENT:** Cllr Rhodri Evans, Independent Member (Chair) (VC)  
Mr Winston Weir, Independent Member (Vice Chair) (VC) (part)  
Mr Maynard Davies, Independent Member (VC)  
Mrs Eleanor Marks, Independent Member (VC)

**IN ATTENDANCE:** Mr Shaun Ayres, Director of Delivery (VC) (part)  
Mr Andrew Carruthers, Chief Operating Officer (VC) (part)  
Ms Sophie Corbett, Deputy Head of Internal Audit (VC)  
Mrs Sharon Daniel, Executive Director of Nursing, Quality and Patient Experience (VC) (part)  
Dr Ardiana Gjini, Director of Public Health (VC) (part)  
Mr James Johns, Head of Internal Audit, NWSSP (VC)  
Professor Philip Kloer, Chief Executive (VC) (part)  
Ms Louise O'Connor, Assistant Director (Legal and Patient Support) (VC) (part)  
Ms Urvisha Perez, Audit Wales (VC)  
Mr Benjamin Rees, Head of Counter Fraud (VC)  
Mr Huw Thomas, Executive Director of Finance (VC)  
Mr David Williams, Audit Wales (VC)  
Ms Charlotte Wilmshurst, Assistant Director of Assurance and Risk (VC)  
Mrs Joanne Wilson, Director of Corporate Governance/Board Secretary (VC)  
Mr John Jenkins, Committee Services Officer (Secretariat) (VC)

<b>MINUTES REF.</b>	<b>ITEM</b>	<b>ACTION</b>
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<b>AC(26)1</b>	<b>INTRODUCTIONS AND APOLOGIES</b>	
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Cllr Rhodri Evans, Audit and Risk Assurance Committee (ARAC)  
Chair welcomed all present to the meeting.

No apologies for absence had been received.

<b>AC(26)2</b>	<b>DECLARATION OF INTERESTS</b>	
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No declarations of interests were made.

<b>AC(26)3</b>	<b>MINUTES OF THE MEETING HELD ON 9 DECEMBER 2025</b>	
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The minutes of the ARAC meeting held on 9 December 2025 were reviewed and were approved as a correct record of proceedings.

**Decision:** It was **RESOLVED** that the minutes from the Audit and Risk Assurance Committee meeting on 9 December 2025 were approved as an accurate record.

#### AC(26)4

#### TABLE OF ACTIONS

The Table of Actions arising from the ARAC meeting held on 9 December 2025 was reviewed and the following updates were provided:

**AC(25)171 ('Validation of Emergency Department Waiting Time Data')**: Mrs Joanne Wilson advised that due to the on-going operational pressures, it had not been possible for the Community and Integrated Medicine (CIM) Clinical Care Group (CCG) to take the revised Standard Operating Procedures (SOP) through the governance process and advised of the revised delivery date of 31 March 2026.

**AC(25)179 ('Internal and External Recommendations and WHC Tracking Assurance Report')**: Mrs Wilson advised that due to the on-going operational pressures, at the request of the Chief Operating Officer, that the meetings arranged to review recommendations overdue by 6 months or more had been stood down and would be re-arranged for Summer 2026. It was agreed to re-open the previously closed action and that an update would be provided to the ARAC meeting on 23 June 2026.

**AC(25)204 ('Review of Urgent and Emergency Care - Patient Flow (Regional Report)')**: Mrs Wilson advised that due to the on-going operational pressures the timescale for completion would be revised to April 2026.

**Decision:** The Audit and Risk Assurance Committee **REVIEWED**, **NOTED** and **UPDATED** the Table of Actions from the Audit and Risk Assurance Committee meeting held on 9 December 2025.

#### AC(26)5

#### MATTERS ARISING NOT ON AGENDA

*There were no matters arising not on the meeting agenda.*

#### AC(26)6

#### ESCALATION STATUS UPDATE REPORT

Professor Philip Kloer presented the Escalation Status Update Report to the Committee and advised that the Health Board had been de-escalated to Level 1 for Leadership and Governance and that the Health Board had reviewed the approach to reporting escalation status to Board Committees to reflect the confidence expressed in the reporting process. Professor Kloer advised that updated guidance on accountability and escalation arrangements had been received from Welsh Government (WG).

Mr Shaun Ayres believed that the reason for the Health Board being placed in Health Board-wide escalation was due to concerns relating to Planning and Finance with a need for the whole organisation to contribute to the solutions required to enable de-escalation. Mr Ayres expressed concern on the capability and capacity with the organisation to progress the actions to enable wider de-escalation with operational pressures hindering the timely progress of the development of the 2026/27 Annual Plan.

In response to question from Cllr Evans on whether the Committee could be assured that there were robust operational governance arrangements in place, Mrs Wilson advised that there were good processes in place however there were inconsistencies within operational governance processes in respect of how this had been implemented. Furthermore, feedback from CCG colleagues was that there are too many meetings given the limited capacity to service the meetings, alongside undertaking other operational duties. A review has been undertaken by internal audit to ascertain how assurance can be provided that the required operational governance arrangements were in place are robust.

Mr Huw Thomas believed that further progress was required from the CCGs on the development of the required savings plans. Furthermore, work is required on the escalation processes at Level 3 and Level 4 of internal escalation and the role of the Chief Executive within the process to improve the interface between corporate and operational governance.

Mrs Elenor Marks commended the work undertaken to enable the Health Board to be de-escalated for Leadership and Governance and believed that the development of an integrated plan was a positive development.

In response to a question from Mrs Marks on the timescale for the development of an integrated plan, Mr Ayres believed that a significant area for the Health Board to address was within cancer performance and diagnostics and meeting the 8-week target for diagnostic services and the demand-related pressures within urgent and emergency care (UEC) and the impact of both on performance and finance.

Professor Kloer advised that the significant challenge was the Health Board's financial allocation for 2026/27 was only a 1.1%

increase compared to a 1.7% increase in 2025/26 and that the choice facing the Health Board would be in making the choice of where to prioritise investment for targeted improvement in performance and ensuring that the Health Board was as efficient and productive as possible.

In response to a question from Mr Maynard Davies on how the individual Board Committees scrutinised individual elements of the development of the Annual Plan and how ARAC oversaw the overall delivery of the plan whether there was a need for a process that incorporated inter-committee escalation of alerting, Mrs Wilson advised that the role of Board Committees in providing assurance on the individual elements of the Annual Plan and the role of ARAC in providing overall assurance on the delivery of the plan would be reviewed to enable assurance to be given.

**JW/SA**

Mrs Wilson advised that the financial pressure of needing to determine within which areas would be prioritised for investment would result in the level of risk in the de-prioritised areas not being addressed or adversely affected and that the Health Board needed to be transparent in addressing the risk and how the risks would either be tolerated or mitigated.

**Decision:** The Audit and Risk Assurance Committee:

- **NOTED** the de-escalation to Level 1 for Leadership and Governance and confirm BAU reporting route;
- **ENDORSED** the shift in assurance focus to plan credibility, controls and evidence across remaining Level 4/3 domains;
- **AGREED** a standing “escalation readiness” pack to the Audit and Risk Assurance Committee (monthly/meeting cycle) until Annual Plan submission;
- **AGREED** to review how the Audit and Risk Assurance Committee will receive assurance on the process and progress of developing the Annual Plan aligned to revised Welsh Government escalation framework;
- **AGREED** 2–3 targeted deep dives where assurance is highest risk avoiding duplication to work undertaken by other Board Committees; and
- **CONFIRMED** how the Audit and Risk Assurance Committee will monitor new risks emerging from CCG delivery plans and interdependencies (workforce, estates, infection).

**AC(26)7**

## **ALL WALES NHS AUDIT COMMITTEE CHAIRS' MEETING UPDATE**

Cllr Evans provided an update from the All-Wales NHS Audit Committee Chairs' meeting held on 26 January 2026 and advised that a view had been expressed at the meeting by several of the Health Board Audit Committee chairs that serving on a multitude

of Board Committees raised questions on the independence of Audit Committee chairs. Cllr Evans believed that serving on other Board Committees provided a wider perspective on the challenges facing the Health Board.

Mrs Wilson advised that there was all-Wales guidance on the role of Audit Committee chairs and model standing orders that recommended that the Audit Committee chair should be a member of the Quality and Safety Committee and serve as Vice Chair of the Remuneration Committee of the Health Board.

In response to a question from Mr Davies on training for aspiring Independent Members (IMs), Mrs Wilson confirmed that a training programme was provided by the Aspiring Board Members Team and that Health Education and Improvement Wales (HEIW) provided a module-based induction programme for Board Members.

*Professor Philip Kloer left the meeting*

**Decision:** The Audit and Risk Assurance Committee **NOTED** the All-Wales NHS Audit Committee Chairs' meeting update.

AC(26)8

## **SCHEME OF DELEGATION**

Mrs Wilson presented the revised and updated Scheme of Delegation following the revised portfolio changes within the Health Board and that the revised Scheme of Delegation had been approved by Executive Team on 21 January 2026 and would be presented to Board on 26 March 2026.

Mrs Wilson advised that there were a small number of items outstanding to be determined such as the residential scheme of delegation and a few revisions between the Director of Strategy and Planning and the Director of Public Health and within Estates and Facilities arising following the Remuneration and Terms of Service Committee (RTSC) meeting on 5 February 2026.

Mrs Wilson advised that Chair's Action may be necessary to approve any further changes following any approval at the Committee ahead of ratification at Board.

In response to a question from Mrs Marks on the linkage between the separate strategies of the Health Board, Mrs Wilson advised that the Director of Strategy and Planning was and remains responsible for the A Healthier Mid and West Wales Strategy and all the strategic plans that fed into the overarching strategy and that following the RTSC meeting on 5 February 2026 it was resolved that responsibility for estates would be the responsibility of the Director of Strategy and Planning with facilities being the

responsibility of the Director of Allied Health Professions and Health Science.

**Decision:** The Audit and Risk Assurance Committee **REVIEWED** and **RECOMMEND** the revised version of Hywel Dda University Health Board's Scheme of Delegation for onward approval to the Board on 26 March 2026.

## AC(26)9

### AUDIT WALES UPDATE REPORT

Mr David Williams presented the Audit Wales Update Report to the Committee and advised that Audit Wales had completed its 2024/25 audit of Hywel Dda Health Charity (HDdHC) with the planning work commenced for the HDdUHB accounts in progress.

Mr Williams advised the timeline for the audit of the Health Board accounts was similar to previous years with the accounts submitted by the Health Board to WG in early May 2026 with the audit undertaken and completed by the end of June 2026.

Ms Urvisha Perez presented the performance audit update to the Committee and advised that the review into outpatient management would be presented to the ARAC meeting on 14 April 2026 alongside the review into digital investment and the radiology review. Ms Wilson advised that the review of digital investments would be presented to the ARAC meeting on 7 May 2026 and the radiology review would be presented to the ARAC meeting on 23 June 2026.

*Ms Rhian Bond joined the meeting*

Ms Perez advised that the fieldwork for a deep dive into estates management was in the initial stages with a project brief for the local cancer review would be issued before the end of February 2026.

Ms Perez advised that the planning work for 2026/27 had commenced and an audit plan would be presented to ARAC on 14 April 2026.

**Decision:** The Audit and Risk Assurance Committee **NOTED** the Audit Wales Update Report.

## AC(26)10

### REVIEW OF INVESTMENT IN DIGITAL SYSTEMS

*This agenda item was deferred to the 7 May 2026 meeting.*

**AC(26)11 REVIEW OF THE MANAGEMENT OF OUTPATIENTS**

*This agenda item was deferred to the 14 April 2026 meeting.*

**AC(26)12 REVIEW OF RADIOLOGY SERVICES**

*This agenda item was deferred to the 23 June 2026 meeting.*

**AC(26)13 INTERNAL AUDIT PLAN PROGRESS REPORT**

Mr James Johns presented the Internal Audit Plan Progress Report to the Committee and advised of the 5 reports that had been finalised since the last ARAC meeting on 9 December 2025 and were presented to the Committee for consideration:

- Escalation Governance – Substantial Assurance
- Cyber Security – Substantial Assurance
- Patient Experience – Reasonable Assurance
- Managed Practices – Reasonable Assurance
- Vaccination and Immunisation – Limited Assurance

Mr Johns provided an update to the plan delivery and advised that following the update provided at the ARAC meeting on 9 December 2025, a request had been received to defer the audit of Ionising Radiation (Medical Exposure) Regulations (IRMER) due to operational pressures.

Mr Johns advised that the planning process for the development of the 2026/27 Internal Audit Plan had commenced and would be presented to the ARAC meeting on 14 April 2026 for consideration.

In response to a question from Mrs Marks on whether Internal Audit were receiving information in a timely manner from the Health Board, Mr Johns advised that discussions had been held with Mrs Wilson regarding a number of internal audits where there had been some specific difficulties in accessing the required information due to operational pressures, with it noted this had been raised directly with the Chief Operating Officer.

**Decision:** The Audit and Risk Assurance Committee:

- **NOTED** the Internal Audit Plan Progress Report; and
- **APPROVED** the amendment to the Internal Audit Plan 2025/26 to defer the Ionising Radiation (Medical Exposure) Regulations internal audit.

AC(26)14

## ESCALATION GOVERNANCE (SUBSTANTIAL ASSURANCE)

Mr Johns presented the Escalation Governance Final Internal Audit Report that examined the governance arrangements around the management of the escalation process and the processes for the monitoring and review of the actions associated with the escalation arrangements.

Mr Johns commended the positive outcome of the audit that had found substantial assurance with no actions or findings identified through the audit.

*Mr Andrew Carruthers and Mrs Sharon Daniel joined the meeting*

**Decision:** The Audit and Risk Assurance Committee **NOTED** the Escalation Governance Final Internal Audit Report and the substantial assurance opinion received.

AC(26)15

## OPERATIONAL GOVERNANCE ARRANGEMENTS

*This agenda item was deferred to the 14 April 2026 meeting.*

AC(26)16

## MANAGED PRACTICES (REASONABLE ASSURANCE)

Ms Sophie Corbett presented the Managed Practices Final Internal Audit Report that was a high-level review of the arrangements in place for the management of key systems and risk areas in relation to managed practices and advised that reasonable assurance was given with two high-priority findings identified within the audit.

Ms Corbett advised that the audit identified that managed practice budgets were based on historic General Medical Service (GMS) allocations from the point at which the practice had transferred to Health Board management and had not been subsequently updated to reflect any changes to patient capitation or actual running costs given that the cost of Health Board managed practices were potentially higher than those of a contracted practice.

Ms Corbett highlighted that at the time of the audit being undertaken, the forecasted end-of-year financial position for managed practices within the Health Board was a £1m overspend.

Ms Corbett stated that the second high priority finding related to the strategic vision for managed practices and advised that despite a report setting out the vision being presented to Board in March 2023 there had been no further updates considered since

resulting in a lack of clarity in the strategic intent into which managed practices were integrated into the Health Board operational arrangements and the consequential arrangements for financial and service planning.

Ms Corbett informed that other issues identified by the audit related to inconsistent risk management practices and inconsistent complaint recording and monitoring.

Ms Rhian Bond noted that work in relation to financial planning had been undertaken in 2024 and following the internal audit findings the recommendations had been progressed with work undertaken with Finance Business Partners to reset the managed practices budget from April 2026 that would require individual managed practices to develop savings plans and believed that some managed practices were significantly over-resourced whereas others were under-resourced.

Ms Bond remarked that the mitigating factor for the apparent lack of update since the March 2024 Board meeting was due to the development of the Primary and Community Services Strategic Plan that would incorporate the approach to managed practices within the Health Board.

Ms Bond advised that an annual review process had been established to determine whether a managed practice would be retained as a Health Board managed practice or whether options to test the market for potential contracting arrangements or a dispersal of patients through the Vacant Practice Panel would be undertaken.

*Mr Shaun Ayres left the meeting*

In response to a question from Mr Davies on the managed practice overspend, Ms Bond stated that profiling work was being undertaken to rebalance the practice budgets to ensure that managed practices are allocated budgets consistent with independent contractor practices with a similar patient cohort with allowances made for staffing costs with an aim of staying within budget. Ms Corbett believed that the budget setting was linked to the strategic vision with any intention to maintain practices within Health Board management would require the practices to be integrated with Health Board operational arrangements.

*Dr Ardiana Gjini and Ms Louise O'Connor joined the meeting*

In response to a question from Mr Winston Weir on the need to ensure that regular finance meetings were undertaken, Ms Bond advised that regular meetings had now been arranged and were being undertaken between Finance Business Partners and the Primary Care Team on resetting the managed practice budget and the development of the required savings plans.

In response to a question from Mrs Marks on how investment is made in managed practices, Ms Bond believed that managed practices were typically more resource-heavy than independent contracted practices with higher rates of staff sickness and that the management structure of managed practices were less efficient than independent contracted practices that raised further strategic questions for the Health Board's continued operation of managed practices.

Mr Andrew Carruthers stated that the Health Board's strategic vision on managed practices was a priority within the development of the Primary and Community Services Strategic Plan and believed that there was a tension between how often the Health Board reviewed the market for the return of managed practices to the independent contracting arrangements and the impact on the stability of the staff within the affected practice with the need to develop a clear policy for the management of the process involving the Vacant Practice Panel.

Mr Carruthers advised that there was no all-Wales standardised approach for the management of managed practices and the process for progressing a managed practice's return to independent contracting and that had been raised with WG for the need for national consistency.

Mr Thomas believed that it would be unacceptable for managed practices to have a planned overspend and that the financial constraints required a rebalancing of the existing budgets with any non-recurrent additional resources needing to be considered within the wider Health Board financial position.

*Mr Andrew Carruthers and Ms Rhian Bond left the meeting*

**Decision:** The Audit and Risk Assurance Committee **NOTED** the Managed Practices Final Internal Audit Report and the reasonable assurance opinion received.

**AC(26)17**

## **THEATRE STOCK SYSTEM IMPLEMENTATION**

*This agenda item was deferred to the 14 April 2026 meeting.*

**AC(26)18**

## **VACCINATION AND IMMUNISATION (LIMITED ASSURANCE)**

Ms Sophie Corbett presented the Vaccination and Immunisation Final Internal Audit Report to the Committee that assessed the arrangements in place to monitor and promote the uptake of vaccinations and immunisation programmes within the eligible population of the Health Board.

Ms Corbett advised that prior to the commencement of the audit, the Health Board did not have an overarching strategic immunisation plan and while to have such a plan was not a WG requirement Ms Corbett observed that other Health Boards in Wales did have such a plan and it was considered beneficial for the Health Board to have such a plan. Ms Corbett advised that a regional plan was currently being developed.

Ms Corbett informed the Committee that while the Health Board had published a Immunisation Equity Strategic Plan it was considered that the implementation plan to support the strategic plan was not sufficiently 'SMART' (Specific, Measurable, Achievable, Relevant and Timely).

Ms Corbett highlighted that the audit identified that there were two versions of the implementation plan that were inconsistent with each other and that there was no evidence of progress monitoring identified due to the delays in establishing the Vaccine Equity Steering Group that was responsible for undertaking the required monitoring.

Ms Corbett added that 80% of vaccinations were delivered by GP practices and that while the Health Board had annual delivery plans in place for COVID-19 and influenza vaccinations there were no equivalent delivery programmes for other routine vaccinations.

Ms Corbett advised that the audit had identified that there was an operational governance structure in place it was not fully implemented, meetings were infrequent, engagement was limited and a number of groups had not been established as planned. The audit concluded that engagement between the immunisation teams and primary care contractors could be improved and roles and responsibilities could be clarified further.

Ms Corbett stated that while the audit had identified evidence of community outreach activity it was felt that this was not derived from any data-driven or coordinated programme of activity that linked to the equity strategic plan with little evidence that any outcomes would be monitored to assess the impact of engagement to inform future activity.

Ms Corbett summarised that as a result of the issues identified within the audit only a limited assurance option could be provided.

Dr Ardiana Gjini thanked Internal Audit for their support in undertaking the audit and advised that several of the recommendations arising from the audit and associated action plans had been initiated in response to the audit and that appointments had been made to within the Health Board's Vaccination and Immunisation Team.

Dr Gjini advised that she was confident that all the recommendations made by Internal Audit would be undertaken and within the agreed timescales.

Mrs Marks expressed disappointment with the audit findings and emphasised the need for the Primary Care Strategic Plan to link to the various related programmes to drive improvements to service delivery. Mrs Marks highlighted the importance of transparency and accountability and the need for clear roles and responsibilities.

In response to a question from Mrs Marks on what were the contributory factors to the issues identified within the audit, Dr Gjini believed that the manner of vaccination and immunisation programmes has changed so significantly within the past 12 months with the transition from mass vaccination centres for COVID-19 vaccinations to the establishment of Health Board vaccination teams and community vaccination clinics had resulted in the confusion of roles and responsibilities that had been identified in the audit.

*Dr Ardiana Gjini and Mr Winston Weir left the meeting*

**Decision:** The Audit and Risk Assurance Committee **NOTED** the Vaccination and Immunisation Final Internal Audit Report and the limited assurance opinion received.

**AC(26)19                    LEVEL 3 AND 4 DIRECTORATES**

*This agenda item was deferred to the 14 April 2026 meeting.*

**AC(26)20                    DECISION MAKING FOR HIGH COST DRUGS**

*This agenda item was deferred to the 14 April 2026 meeting.*

**AC(26)21                    DEPARTMENTAL / LOCAL IT SYSTEMS MANAGEMENT**

*This agenda item was deferred to the 14 April 2026 meeting.*

**AC(26)22                    PATIENT EXPERIENCE (REASONABLE ASSURANCE)**

Ms Corbett presented the Patient Experience Final Internal Audit Report to the Committee that had reviewed the arrangements that the Health Board had in place for capturing and utilising patient experience data. Furthermore, it was noted that the audit had

been undertaken during a transitional period for the service recognising some processes were currently being undertaken manually and were slightly fragmented, strategic improvements were planned in accordance with the revised People Experience framework.

Ms Corbett advised that reasonable assurance was provided by the audit with one high priority finding identified relating to the need to clarify responsibilities and expectations within the service in relation to interpreting and acting upon patient feedback and utilising the Civica patient experience software system.

Ms Corbett added that the audit had identified the need to update the Improving People and Community Experience Charter to reflect the new People Experience framework and to address variation in Civica system engagement at service level with action logging not being fully utilised that resulted in action not being consistently being taken in response to feedback.

Furthermore, there was demonstrable evidence of analysis of patient feedback and triangulation of this data being undertaken at corporate level for reporting to Board, there was limited evidence to indicate that this analysis was being undertaken at CCG and Clinical Service Group (CSG) level.

Mrs Sharon Daniel believed that work to provide further consistency and alignment with the People Experience Framework and strengthened governance arrangements would enhance the Health Board's approach to capturing and utilising patient experience data and that the actions in response to the audit findings had been agreed.

Ms Louise O'Connor advised that the transition period was while the revised all-Wales patient experience framework was being implemented and advised that the all-Wales work was being undertaken by NHS Wales Performance and Improvement who had yet to establish an implementation group due to the focus on the implementation on the new Listening to People's Concerns regulations. The Health Board progressing its own work in relation to addressing the local response to the People Experience Framework.

Ms O'Connor advised that work to address the recommendations was being progressed with a report being presented to the Executive Team on 4 March 2026. Ms O'Connor advised that work was being undertaken with the Informatics Team to develop an integrated dashboard for use by CCGs to provide service-level data in a digestible format that integrates with other patient feedback data such as compliments received to provide a fully balanced level of patient experience data. Ms O'Connor advised that the timescale for all the actions proposed in response to the audit were on target to be completed within the proscribed timescales.

In replying to a question from Cllr Evans on the responses received from the CCGs, Ms O'Connor believed that the response from the various CCGs on how patient experience data was embedded into the governance arrangements had been varied and anticipated that the implementation of a self-assessment tool would assist strengthen the governance arrangements at CCG level.

In answering a question from Mr Davies on the development of the self-assessment tool and comparisons to other similar tools developed by other Health Boards, Ms O'Connor advised that the revised People Experience Framework provides the self-assessment framework and believed that the HDdUHB self-assessment process was already robust and would be adapted to an electronic self-assessment format to enable maximum completion with further work required to assist CCGs embed the self-assessment process within their day-to-day work.

In response to a question from Mr Davies on what difficulties were experiences in data analysis, Mrs Daniel believed that the Health Board had a deficit in data analytical support and that work was being undertaken with the Data Informatics Team to explore how additional support could be received.

*Mrs Sharon Daniel and Ms Louise O'Connor left the meeting*

**Decision:** The Audit and Risk Assurance Committee **NOTED** the Patient Experience Internal Audit Report and the reasonable assurance opinion received.

**AC(26)23**

### **ESTATES ASSURANCE – SPACE UTILISATION**

*This agenda item was deferred to the 14 April 2026 meeting.*

**AC(26)24**

### **FINANCIAL ASSURANCE REPORT**

*Mr Benjamin Rees joined the meeting*

Mr Thomas presented the Financial Assurance Report to the Committee and advised that the level of staff overpayments had decreased, that the average recovery period has increased from 5 to 14 months as a result of a number of individual cases having concluded their repayment period that had resulted in a spike that was anticipated to reduce in future months.

Mr Thomas highlighted one individual loss exceeding £5,000 in November and December 2025 through drugs wastage due to a specific product ordered into the Intensive Therapy Unit (ITU) at WGH that was not required and with no alternative use.

In replying to a question from Cllr Evans on the breach of Standing Financial Instructions (SFIs), Mr Thomas advised that there had been six breaches reported in November and December 2025 with one breach of £96k relating to security services at WGH within Estates and Facilities. Furthermore, the Procurement Team had been involved too late in proceedings to prevent the occurrence from being a breach of SFIs and that the matter had been raised with the relevant Director for awareness and action.

In relation to a question from Mr Davies on Public Sector Payment Policy (PSP) compliance, Mr Thomas advised that a dip in PSP compliance performance was a result in a small number of high-value invoice payments that had been subject to further discussion between the Health Board and the payees.

In answering a question from Mr Davies on the effectiveness of project bank accounts, Mr Thomas advised that no review of their effectiveness had been undertaken and advised that he would discuss with WG whether any review of the effectiveness of Project Bank Accounts could be undertaken and to discuss with Internal Audit whether any work needs to be undertaken by the Health Board into the continued use and effectiveness of Project Bank Accounts.

HT

Mr Thomas advised that he would establish the precise number of project bank accounts established by the Health Board and feedback to the Committee via the table of actions.

HT

**Decision:** The Audit and Risk Assurance Committee:

- **SCRUTINISED** the award of contracts listed in Appendix 1a
- **DISCUSSED** the breaches of Standing Financial Instructions (SFIs) as detailed in Appendix 1b
- **DISCUSSED** the staff overpayments as detailed in Appendix 2 and seek assurance that actions to control them are sufficiently embedded
- **NOTED** that a short report on immaterial over and underpayment of salaries will be discussed In-Committee
- **DISCUSSED** losses as detailed in Appendix 3 and **APPROVED** the loss in excess of £5,000
- **RECEIVED ASSURANCE** from the actions taken to:
  - Improve Purchase To Pay (P2P) compliance
  - Manage Single Tender Actions (STAs)
  - Ensure compliance with VAT requirements

AC(26)25

## ANNUAL STATEMENT OF FINANCIAL PROCEDURES

Mr Thomas presented the Annual Statement of Financial Procedures to the Committee for review.

In response to a query from Mr Davies on the precise number of financial procedures contained within the annual statement, Mr Thomas advised that he would confirm the correct number of financial procedures that would be reviewed in 2026/27.

HT

**Decision:** The Audit and Risk Assurance Committee **NOTED** the Annual Statement of Financial Procedures

AC(26)26

## COUNTER FRAUD UPDATE

*Mr Winston Weir joined the meeting*

Mr Benjamin Rees presented the Counter Fraud Update to the Committee and advised that a number of engagement events had been undertaken in December 2025 and January 2026 to raise awareness of the risk of working while sick and general NHS fraud with a New Year's Counter Fraud message being circulated to staff and further communications circulated on Viva Engage highlighting emerging fraud trends.

Mr Rees advised that a proactive local exercise into procurement-based activity had been undertaken to highlight the need to undertake good procurement governance and adherence to procedures.

Mr Rees advised that a review of counter fraud risk management processes and strategy had been undertaken within the Counter Fraud Team with a course of action identified to be commenced within Q1 2026/27 to review all previously identified risks to enable a review to be completed by the end of 2026/27 that would be presented to ARAC for assurance.

Mrs Wilson thanked Mr Rees for the work undertaken by the Counter Fraud Team as part of the counter fraud peer review. In response to a question from Cllr Evans on the timescale for the publication of the outcome report of the review, Mr Rees advised that the report was not anticipated before the end of Q4 2025/26.

**Decision:** The Audit and Risk Assurance Committee **NOTED** the Counter Fraud Update report.

AC(26)27

## EXTERNAL RECOMMENDATIONS AND WELSH HEALTH CIRCULARS ASSURANCE REPORT

Ms Wilmshurst presented the External Recommendations and Welsh Health Circular Assurance Report to the Committee that outlined the process for tracking the progress of implementing external recommendations.

Ms Wilmshurst highlighted the number of open reports from 123 to 134 however advised that there had been a reduction in the number of overdue reports from 56 to 49 with half of those being overdue by six months or more, an improvement from October 2025 driven by improvements within Estates and Facilities who have reduced the number of overdue reports within their CCG from 29 to 13 however the number of overdue reports within the Community and Integrated Medicine had increased from 1 to 11.

Ms Wilmshurst advised that the number of open recommendations had been reduced from 557 to 435 with the number of overdue recommendations reduced from 236 to 196 with the number of recommendations overdue by over six months having also reduced from 82 to 36.

Furthermore, the number of recommendations with revised timescales had been significantly reduced down to 133, driven by improvements within Estates and Facilities that was reflected by the Estates and Facilities CCG having been de-escalated to Level 1 for governance within the internal escalation process.

Ms Wilmshurst advised that the Community and Integrated Medicine CCG performance had deteriorated since October 2025 with the number of overdue recommendations with revised timescales having increased with the CCG remaining within Level 3 of internal escalation for governance. Ms Wilmshurst advised that the Community and Integrated Medicine CCG also had an outstanding action in relation to overdue compliance with Welsh Health Circulars (WHCs).

Cllr Evans believed that no improvement had been displayed by the Community and Integrated Medicines CCG by the April 2026 report then a formal response from the Chief Operating Officer would be requested at the June 2026 ARAC meeting.

**AC**

Mr Davies questioned the number of open recommendations from the Mid and West Wales Fire and Rescue Service (MWWFRS) in relation to Estates and Facilities. Mrs Wilson advised that a review had been undertaken with the Estates and Facilities Team of those recommendations open for longer than six months. As part of this review assurance was sought that that actions were documented as opposed to verbal agreements with MWWFRS, requesting the Health Board follow up the actions from each meeting in writing. Ms Wilmshurst advised that the Health and Safety Committee oversaw the recommendations through their Risk and Assurance Report.

**Decision:** The Audit and Risk Assurance Committee:

- **NOTED** the External Recommendations and Welsh Health Circular Assurance Report;
- **RECEIVED ASSURANCE** that the Health Board was:

- Continuing to address and implement findings from audits, inspections and regulators;
- Addressing and implementing the requirements as raised within Welsh Health Circulars; and
- Strengthening the internal escalation arrangements for the domain of governance.

**AC(26)28 POST PAYMENT VERIFICATION (PPV) ANNUAL REPORT**

*This agenda item was deferred to the 14 April 2026 meeting.*

**AC(26)29 PRIMARY CARE PPV REPORT**

*This agenda item was deferred to the 14 April 2026 meeting.*

**AC(26)30 ARAC WORKPLAN 2025/26**

The ARAC Workplan 2025/26 was presented to the Committee for information.

**Decision:** The Audit and Risk Assurance Committee **NOTED** the Committee Workplan 2025/26.

**AC(26)31 ANY OTHER BUSINESS**

There was no other business transacted at the meeting.

**AC(26)32 DATE AND TIME OF NEXT MEETING**

The next ARAC meeting is scheduled for 9.30am on 14 April 2026.