



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

DYDDIAD Y CYFARFOD: DATE OF MEETING:	09 December 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	Audit and Risk Assurance Committee (ARAC) Self-Assessment Report 2025/26
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Joanne Wilson, Director of Corporate Governance
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)
Er Sicrwydd/For Assurance

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

The purpose of the report is to present the outcome of the Audit and Risk Assurance Committee Self-Assessment 2025/26 process to the Committee.

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.

In addition to the annual Committee self-assessment process, after each meeting Independent Member Reflective Sessions take place to gather feedback and insights from Members on the meeting, in terms of what has gone well, what could have gone better, how quality has informed discussions, and issues that need to be raised at the Committee Chair's meeting. This feedback helps with the evaluation process and continuous improvement.

During previous years, Committee self-assessments have been based on a comprehensive review of feedback provided by the Committee membership from completion of a long questionnaire assessment. While these approaches provided valuable insights, they also led to survey fatigue and limited engagement. Feedback from a recent Corporate Governance Conference has highlighted the need for a proportionate process for assessment that avoids unnecessary complexity. This year's approach will streamline the assessment, focusing on critical governance behaviours and outcomes rather than exhaustive questionnaires.

This year's Committee self-assessment form focuses on five core areas of governance and assurance:

Governance, Assurance, and Oversight

Ensuring robust assurance to the Board on governance, risk management, and internal controls across all organisational activities.

Risk Management and Internal Control

Confirming that significant risks are identified, managed, and reported effectively through risk registers and governance structures.

Internal and External Audit

Overseeing audit programmes and ensuring timely implementation of recommendations to mitigate key risks.

Financial and Annual Reporting

Providing assurance on the integrity, clarity, and transparency of financial statements and governance disclosures.

Committee Effectiveness and Continuous Improvement

Assessing whether membership, work plans, and information enable the Committee to operate effectively and add value to the Board's assurance framework.

With some additional considerations such as engagement of Independent Members (IMs) and Executive Directors (EDs), quality of papers, and adequacy of information on risks, impacts, and outcomes to support assurance and decision-making.

Asesiad / Assessment

To improve response rates, taking into account that there is a process of continuous improvement through the IM Post Committee Reflective Sessions, a short questionnaire was circulated to members to gather feedback on 5 key areas for the Committee.

Respondents were asked to rate their level of agreement to 5 statements relating to key areas of focus for the Committee on a scale of 1–5. (1 - strongly disagree up to 5 – strongly agree) and to provide more information to support their rating.

Below are the statements relating to 5 key areas of focus for the Committee and the average ratings based on the responses received. 8 (out of 9) responses were received (89% response rate).

Area and Statement	Average Rating
Governance, Assurance and Oversight <i>(The Committee provides robust assurance to the Board on the adequacy and effectiveness of governance, risk management and internal control systems across the whole of the organisation's activities, both clinical and non-clinical)</i>	4.6
Risk Management and Internal Control <i>(The Committee ensures that significant risks are identified, managed and reported appropriately through the risk registers and the Board Governance Structure)</i>	4.7
Internal and External Audit <i>(The Committee effectively oversees internal and external audit programme, ensuring recommendations are tracked and implemented in a timely manner)</i>	4.7

Financial and Annual Reporting <i>(The Committee provides assurance to the Board on the integrity of financial statements, the Annual Governance Statement and associated disclosures)</i>	4.7
Committee Effectiveness and Continuous Improvement <i>(The Committee's membership, workplan and information enable it to operate effectively and add value to the Board's overall assurance framework).</i>	4.5

The following themes were provided:

What has gone well:

- Effective Chairing and Membership: The Committee is well-chaired, with strong Independent Member engagement.
- Quality of Papers: Reports and papers are generally well-prepared and clear.
- Robust Scrutiny: Members provide insightful and respectful challenge, particularly on risk and assurance matters.
- Action Tracking: Effective monitoring of actions and progress provides confidence in assurance.
- Improved Reporting: New style reports and improved finance reporting enhance clarity and scrutiny.

What we want to change going forward:

- Consistency in Member Engagement: Some comments noted that questions are often asked by a small number of Independent Members; broader participation is needed.
- Operational vs Strategic Focus: Occasional drift into operational detail rather than maintaining strategic oversight.
- Audit Paper Scheduling: Deferred or batched audit papers can lead to heavy agendas and reduced discussion time.
- Timeliness of Audit Recommendations: Some delays in implementing audit recommendations were highlighted.
- Risk Explanation Clarity: Rationale for risk scores and mitigation sometimes lacks clarity.

Suggestions from Respondents

- Focus discussions on higher-risk areas.
- Ensure consistent engagement from all members.
- Maintain realism in action tracker timelines.
- Continue improving report formats for clarity and assurance.
- Strengthen pace of delivery for agreed actions.

Overall Conclusion

The Committee is performing strongly, with high ratings across all domains. It demonstrates maturity and continuous improvement, supported by effective leadership and robust processes. Key opportunities lie in enhancing member engagement, maintaining strategic focus, and improving timeliness of audit actions.

Area for improvement	By Whom	By When
Utilise an IM Development Session to focus on the role of the Independent Member to ensure there is impactful engagement and scrutiny from all Independent Members, and that discussions are at the appropriate level for the relevant discussion.	Director of Corporate Governance	March 2026
To continue to work with Internal and External Audit on the delivery of plans and to escalate any issues of concern to the relevant Lead Executive to reduce deferred reporting of scheduled audit work	Director of Corporate Governance	Regular meetings are in place with issues escalated when raised.
To continue to provide the Committee with oversight and assurance in respect of the systems and processes in place to support the implementation on external recommendations, Welsh Health Circulars and Ministerial Directions and the management of risks within the organisation.	Director of Corporate Governance	Through the External Recommendations Assurance Report and the Risk Assurance Report

Argymhelliad / Recommendation

The Audit and Risk Assurance Committee is asked to **CONSIDER** the outputs from the Committee Self-Assessment process and **AGREE** to 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 Committees 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.1
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
Rhestr Termiau: Glossary of Terms:	Included within the report.
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Director of Corporate Governance

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