



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

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	23 February 2021
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Audit & Risk Assurance (ARAC) Self-Assessment Exercise 2020/21
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Paul Newman, Audit & Risk Assurance Committee Chair
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Joanne Wilson, Board Secretary

**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 & Risk Assurance Committee (ARAC), the Self-Assessment template intended for use to assess the Committee's effectiveness, in order to consider any amendments or omissions to ensure it remains fit for purpose for the Committee's annual self-assessment exercise 2020/21.

**Cefndir / Background**

In line with all Board level Committees' Terms of Reference, Members and In Attendance Members of ARAC are required to complete an annual questionnaire to consider the Committee's effectiveness in providing assurance to the Board throughout the preceding year, and also to consider their individual understanding, role and contribution to the Committee.

**Asesiad / Assessment**

For the 2020/21 ARAC self-assessment exercise, it is intended to use the self-assessment questionnaire template attached. The questionnaire has been refreshed to that similar to the one utilised by the Quality and Safety Experience Assurance Committee (QSEAC) in 2019/20, and will be utilised by other assurance Committees moving forward.

The questionnaire has been constructed and focused to elicit narrative rather than tick-box rating, inviting ideas and examples to generate valuable learning, upon which the Committee can build and improve proactively over the coming year.

**Argymhelliad / Recommendation**

The Audit & Risk Assurance Committee is requested to consider the proposed self-assessment questionnaire template and support its use for 2020/21.

<b>Amcanion: (rhaid cwblhau)</b> <b>Objectives: (must be completed)</b>	
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.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Statement</a>	Not Applicable

<b>Gwybodaeth Ychwanegol:</b> <b>Further Information:</b>	
Ar sail tystiolaeth: Evidence Base:	ARAC Self-Assessment Questionnaire 2020/21 ARAC Terms of Reference
Rhestr Termiau: Glossary of Terms:	Included within the body of the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg: Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Chair of ARAC Board Secretary

<b>Effaith: (rhaid cwblhau)</b> <b>Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian:</b> <b>Financial / Service:</b>	Not Applicable
<b>Ansawdd / Gofal Claf:</b> <b>Quality / Patient Care:</b>	Not Applicable
<b>Gweithlu:</b> <b>Workforce:</b>	Not Applicable
<b>Risg:</b> <b>Risk:</b>	Not Applicable

<b>Cyfreithiol: Legal:</b>	Not Applicable
<b>Enw Da: Reputational:</b>	Not Applicable
<b>Gyfrinachedd: Privacy:</b>	Not Applicable
<b>Cydraddoldeb: Equality:</b>	Not Applicable

## **Audit & Risk Assurance Committee (ARAC) Self Assessment 2020/21**

### **Draft Format for Consideration**

The vision for this self assessment exercise is to generate valuable learning, upon which the Committee can build and improve proactively over the coming year. In order to achieve this, we want to elicit the *collective wisdom* of the Committee's participants. As such, the questions focus on gathering thoughts and ideas about how the Committee functions and how it might improve. They do not cover areas of enquiry which can be settled by a simple audit (e.g. meeting frequency, membership, attendance, existence of Terms of Reference, etc.).

Intentionally, we have constructed and focussed the questions to elicit narrative rather than tick-box rating. Each question begins with a statement which sets out 'what good looks like'. We could describe these domains as the building blocks of effective assurance. You are then asked to provide examples and ideas in relation to the relevant domain. This is a new approach, similar to the one undertaken previously by the Quality, Safety & Experience Assurance Committee, which we hope will improve over time. It is intended to facilitate a more dynamic process of continuous improvement, rather than a traditional annual stock take.

### Questions

1. The Committee's purpose is to advise and assure the Board and the Accountable Officer on whether effective arrangements are in place, through the design and operation of the UHB's system of assurance, to support them in their decision taking and in discharging their accountabilities for securing the achievement of the UHB's objectives, in accordance with the standards of good governance determined for the NHS in Wales.

The Committee's principal duties encompass the following:

- Review the establishment and maintenance of an effective system of good governance, risk management and internal control across the whole of the organisation's activities, both clinical and non-clinical.
- Seek assurance that the systems for financial reporting to Board, including those of budgetary control, are effective, and that financial systems processes and controls are operating.
- Work with the Quality, Safety and Experience Assurance Committee, the People, Planning and Performance Assurance Committee and Finance Committee to ensure that governance and risks are part of an embedded assurance framework that is 'fit for purpose'.

It constantly seeks to strengthen the ways in which it achieves this, challenging itself to avoid tokenism, welcome contributions, engage with criticism and account for and learn from failings.

*Please describe at least one example from 2020/21 in which the Committee has been effective in this domain.*

*Please share at least one idea for improving the Committee's effectiveness in this domain over the coming year.*

2. The Committee works **strategically**. This means it reviews the adequacy of the UHB's strategic governance and assurance arrangements and processes for the maintenance of an effective system of good governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical) that support the achievement of the organisation's objectives, providing the Board with the assurance necessary to have confidence in its ability to deliver.

*Please describe at least one example from 2020/21 in which the Committee has been effective in this domain.*

*Please share at least one idea for improving the Committee's effectiveness in this domain over the coming year.*

3. The Committee works **systemically**. This means it works effectively with the Board, other Board Committees and other relevant parts of the organisation's governance and assurance system, in order to ensure that we spot connections and themes which have an impact on risk and assurance. It guards against silo working. It gives balanced and meaningful 'air time' to the full range of the Health Board's service portfolio.

*Please describe at least one example from 2020/21 in which the Committee has been effective in this domain.*

*Please share at least one idea for improving the Committee's effectiveness in this domain over the coming year.*

4. The Committee works **intelligently**. This means it draws on a diverse range of reliable data (both quantitative and qualitative) to triangulate information and reveal themes or patterns in regard to risk and assurance. It uses internal and external sources to inform improvement. This relies on accurate interpretation of the data, which requires skill from both the providers and readers of the data.

*Please describe at least one example from 2020/21 in which the Committee has been effective in this domain.*

*Please share at least one idea for improving the Committee's effectiveness in this domain over the coming year.*

5. The Committee facilitates **learning**. This means it works openly and honestly, encouraging contributions from attendees which are a fair and reasonable reflection of the realities faced across all services. The Chair sets the leadership tone and is supported by other Independent Members and the Executive to hold this learning space. The style is one of high support/high challenge.

*Please describe at least one example from 2020/21 in which the Committee has been effective in this domain.*

*Please share at least one idea for improving the Committee's effectiveness in this domain over the coming year.*

6. The Committee champions **continuous improvement**. This means it uses an improvement mindset, as well as methodologies, which enable it to lead and oversee a clear journey of improvement in respect of risk and assurance.

*Please describe at least one example from 2020/21 in which the Committee has been effective in this domain.*

*Please share at least one idea for improving the Committee's effectiveness in this domain over the coming year.*

7. The Committee works **proactively**. This means it is organised in its workplan, sensitive to the dynamic environment in which the Health Board operates, and searching in its enquiries. It is curious, and willing to pursue demanding issues in the interests of excellent patient care. The Committee will seek assurance that effective systems are in place to manage risk, that the organisation has an effective framework of internal controls to address principal risks (those likely to directly impact on achieving strategic objectives), and that the effectiveness of that framework is regularly reviewed.

*Please describe at least one example from 2020/21 in which the Committee has been effective in this domain.*

*Please share at least one idea for improving the Committee's effectiveness in this domain over the coming year.*

8. Finally, are there any domains of effective assurance which you think are not covered above? What are they?

For that missing domain/s.....

*Please describe at least one example from 2020/21 in which the Committee has been effective in this domain.*

*Please share at least one idea for improving the Committee's effectiveness in this domain over the coming year.*

Thank you for taking the time to respond. If you would like to have a conversation to share your views in more depth, please contact Paul Newman, ARAC Chair, via the following e-mail address: Paul.Newman2@wales.nhs.uk

Sources used to inform this format:

- ARAC Handbook
- NHS Wales Audit Committee Handbook
- ARAC Terms of Reference
- Published guidance from the Good Governance Institute