COMMITTEE UPDATE REPORT/ADRODDIAD DIWEDDARU'R PWYLLGOR – AUDIT AND RISK ASSURANCE COMMITTEE

Date of last meeting/Dyddiad y cyfarfod diwethaf: 23 June 2026

Quoracy/Cworwm: Met

Report by/Adroddiad gan: Cllr. Rhodri Evans, Chair

KEY DISCUSSION POINTS AND MATTERS TO BE ESCALATED FROM THE DISCUSSION AT THE MEETING/ PWYNTIAU TRAFOD ALLWEDDOL A MATERION I'W HUWCHGYFEIRIO O'R DRAFODAETH YN Y CYFARFOD:

Alert[1] (may require discussion)/**Rhybuddio** (efallai y bydd angen trafodaeth)

The Audit and Risk Assurance Committee had no matters of which to **alert** the Board.

Advise[2] (to monitor)/**Cynghori** (i fonitro)

The Audit and Risk Assurance Committee wishes to **advise** members of the Board:

- In relation to the **GP Out of Hours (Limited Assurance) Internal Audit report**, given concerns around its findings. The audit had reviewed the processes and controls in place for the management of key systems and risk areas within GP Out of Hours, specifically controlled stationary and controlled drugs. It had identified management actions in relation to management of prescription pads, security of prescription pad stock during transportation between sites and stock check arrangements. Health Board policies in relation to controlled drugs do not align with arrangements within GP out of hours, with issues identified in relation to access to controlled drugs and controlled drugs registers at certain sites, and stock checks. The Committee noted that the management response describes actions already taken, with a number being immediate, given the severity of the issues identified. The time frame for other actions reflects the need to develop and progress processes and policies. It is hoped that these will ensure future compliance. The implementation of the recommendations will be followed up within the financial year.

- In relation to the **Infection Prevention and Control (Limited Assurance) Internal Audit report**, given concerns around its findings. The audit focused on policies and procedures, training, improvement arrangements and governance. Whilst policies are aligned to national standards, they require review. Training compliance rates for medical and dental staff groups were particularly poor, with only 41% compliance. Consistent completion of Infection Prevention and Control (IPC) compliance checks was found to be lacking, with limited evidence of remedial actions. There was no Health Board-wide IPC improvement programme in place at the time of review, although the Health Board is in the process of developing an Infection Prevention and Control assurance framework, in line with the requirements of the Quality Statement published by Welsh Government in

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[1] *There is a lack of confidence that any action in place is sufficient to address the issue satisfactorily and/or within the scope of the operational team or executive to resolve. Engagement, action or intervention required.*
[2] *There are areas of concern where assurance has been taken on actions in place but requires close monitoring. An early warning of an emerging and potentially serious concern*.

February 2026. Governance arrangements require review and updating, to clarify reporting arrangements and ensure that groups are operating as intended.

Management, whilst recognising that the findings were valid, suggested that they are consistent with a system undergoing a major transition and that the audit should be recognised as a 'snapshot' during this transition. Significant work is underway to strengthen IPC arrangements. These views have been discussed with the Internal Audit team. Notwithstanding this, the report is welcomed as a useful basis for strengthening the clarity and consistency and visibility of IPC arrangements, with various actions to address the audit findings proposed. The implementation of the recommendations will be followed up within the financial year.

- In relation to the **High Cost Drugs (Limited Assurance) Internal Audit report**, given concerns around its findings. The audit focused on the control of costs associated with high cost drugs dispensed in secondary care. High cost drugs are defined as those meeting or exceeding £5k per course or per year per patient. The policy in relation to adding medicines to the formulary and approval requirements for non-formulary drugs was in draft at the time of the review. This requires updating to reflect changes in operational governance arrangements and to provide greater clarity regarding approval requirements for use of non-formulary drugs during periods of supply shortages for the formulary alternative. The audit had identified instances where the formulary had not been updated appropriately. Also, instances where an Individual Patient Funding Request (IPFR) had not been completed or had been completed retrospectively and only covered part of the period reviewed. Costs relating to these cases (for the period reviewed) exceeded £82k and may have been recoverable if an IPFR had been submitted. There is no monitoring of high cost drug use at patient level to identify costs that could be recharged or to ensure that periodic clinical review is undertaken. Whilst data is available to enable this, it would require significant manual analysis in its current form. Finally, a centralised record of non-formulary and IPFR requests is needed, to enable oversight of approvals.

  The Committee requested that a progress update be provided to the December 2026 meeting.

- That the **Head of Internal Audit Opinion and Annual Report 2025/26** returned an overall opinion of **Limited Assurance**. The outcome of the report took into account the number of audits throughout the year which had a limited assurance rating, as well as the significance of the areas reviewed. Whilst this opinion was disappointing, it does illustrate that the Health Board is engaging with the process as intended, by demonstrating openness and honesty in its responses. The Head of Internal Audit advised that all limited assurance audits would be followed-up in the coming year.

- With regard to the **Escalation Status Update.** The Committee considered the report, noting changes to the accountability arrangements in Wales and steps taken to ensure executive oversight for each escalation criteria. HDdUHB's first Escalation Board meeting with Welsh Government had recently taken place, with the level of scrutiny having increased significantly. This had identified a need to focus on clarity in responses, which will demand equivalent scrutiny and clarity

via the committee structure. Whilst it was recognised that all criteria are mapped to committees, facilitating oversight by ARAC, the focus now perhaps needs to move from ownership to triangulation and impact. This requires a more granular understanding of the data and where causal effect is more liable to have the greatest impact. The other issue, as previously identified, is one of capacity and ability to deliver multiple programmes of improvement concurrently. It may be that, at certain points, certain areas or programmes will take priority or impact more greatly than others. This will necessitate robust, targeted plans at an early stage and may require additional support. The Committee noted that, in order to ensure clarity around oversight and ownership, this topic would be discussed at the next Committee Chairs' meeting.

Assure[3] (to note)/Sicrhau (i nodi)

The Audit and Risk Assurance Committee wishes to **assure** members of the Board:

- That, with regard to the **Committee Self-Assessment**, it took assurance from the progress made against the actions being undertaken to improve its effectiveness.

- In relation to the **Annual Review of Committee Terms of Reference**, with the revised version of ARAC's Terms of Reference approved for onward ratification by the Board on 30 July 2026.

- That following discussion and scrutiny of the various elements of the **Financial Assurance Report**, the Committee:
  - Scrutinised the award of contracts
  - Took assurance around actions to control staff overpayments
  - Discussed and approved losses in excess of £5,000
  - Noted that no Single Tender Actions were awarded during the Financial Year 2025/26
  - Took assurance around actions to improve Purchase to Pay (P2P) compliance, Manage breaches of Standing Financial Instructions (SFIs) and Manage Single Tender Actions (STAs)

- That the Committee received and considered the **Counter Fraud Update** report, noting the intention to track and report on Counter Fraud recommendations going forward.

- With regard to the **External Recommendations and Welsh Health Circulars Assurance Report**.

- That the Committee received and considered the **Audit Wales Review of Radiology Services** report and associated management response. The management response includes phased actions, certain of which begin in 2026; however, a number extend into 2027 and 2028. Acknowledging the phased approach to improvement, Audit Wales had found the overall response to be constructive.

[3] *There is confidence that actions are robust and will be sufficient to address the issue or generally operating effectively. Routine monitoring.*

- With regard to delivery of the **Internal Audit Plan for 2025/26** and the following **Internal Audit** reports:

  - Commissioning Third Sector (Reasonable Assurance)
  - Regional Joint Committee Governance Arrangements (Advisory Report)
  - WellSky System (Advisory Report)
  - Medical Workforce Stabilisation (Reasonable Assurance)
  - Follow Up and Action Implementation Review (Reasonable Assurance)

  These reports represent the conclusion of the 2025/26 Internal Audit Plan programme of work and contribute to the Head of Internal Audit Opinion and Annual Report.

- After reviewing the **Year-End Documentation**, including the Audit Wales ISA 260 and Letter of Representation, Final Accounts for 2025/26 and HDdUHB Annual Report 2025/26; the Committee confirmed that a robust governance process has been followed during the year. As a result, it recommended approval of the Hywel Dda University Health Board (HDdUHB) Annual Report and Accounts 2025/26 to the Board.

Review of Risks/Adolygiad o Risgiau

Not applicable

Sharing of learning/Rhannu dysgu

Not applicable

Recommendation/Argymhelliad

The Board is asked to:

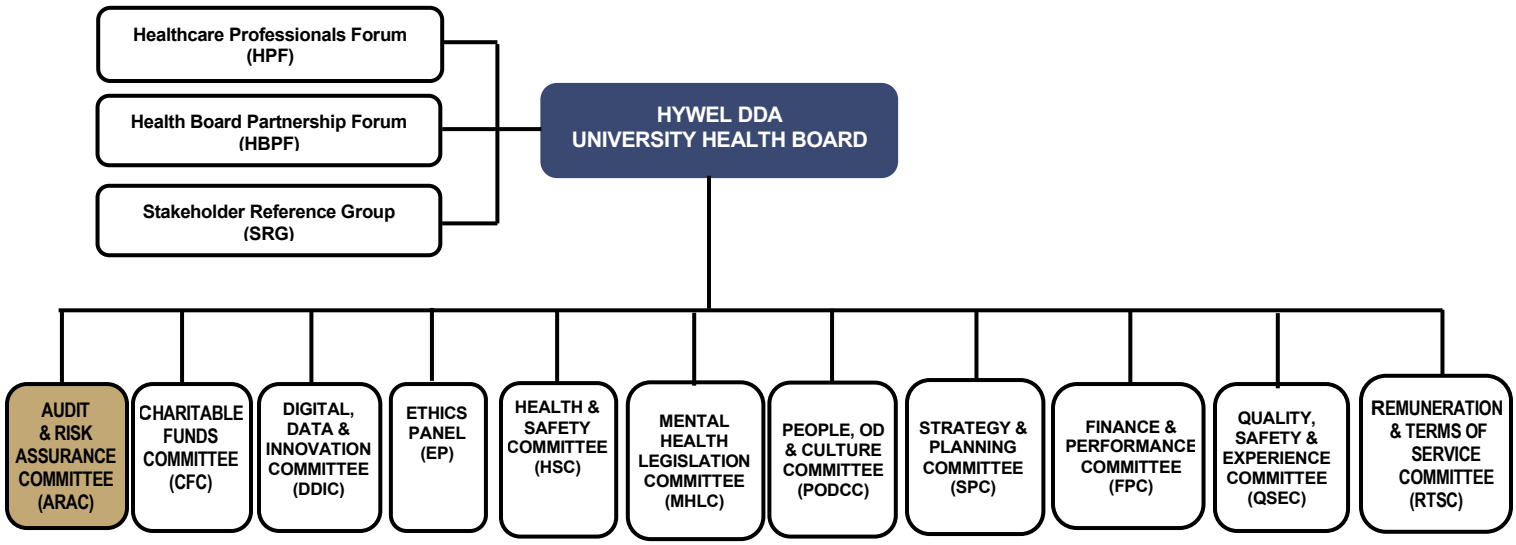
- **Approve** the revised ARAC Terms of Reference (appended).
- **Note** the items the Committee is advising it of
- **Take assurance** from the items that the Committee is providing assurance on

Already Approved

- The HDdUHB Annual Report and Accounts 2025/26 (approved at the Extraordinary Public Board meeting on 25 June 2026), prior to its submission to the Welsh Government, via Audit Wales, by 30 June 2026, and its subsequent presentation at the Annual General Meeting on 30 July 2026.

Date of next meeting/Dyddiad y cyfarfod nesaf: 13 August 2026

Agenda, papers and minutes are available on our website/Mae agenda, papurau a chofnodion ar gael ar ein gwefan: https://hduhb.nhs.wales/about-us/governance-arrangements/board-committees/audit-and-risk-assurance-committee-arac/



AUDIT AND RISK ASSURANCE COMMITTEE

TERMS OF REFERENCE

Version	Issued To	Date	Comments
V1	Audit Committee Hywel Dda Health Board Hywel Dda Health Board	08.12.2009 28.01.2010 22.07.2010	Approved Approved Approved
V2	Audit Committee	07.06.2011	Approved
V3	Hywel Dda Health Board	29.09.2011	Approved
V4	Audit Committee	11.09.2012	Approved
V5	Audit Committee	11.08.2015	Approved
V6	Audit and Risk Assurance Committee	13.10.2015	Approved
V7	Hywel Dda University Health Board	26.11.2015	Approved
V8	Audit and Risk Assurance Committee	11.10.2016	Approved
V8	Hywel Dda University Health Board	26.01.2017	Approved
V9	Audit and Risk Assurance Committee	09.01.2018	Approved
V9	Hywel Dda University Health Board	29.03.2018	Approved
V.10	Audit and Risk Assurance Committee	19.02.2019	Approved
V.10	Hywel Dda University Health Board	28.03.2019	Approved
V.11	Audit and Risk Assurance Committee	25.02.2020	Approved
V.11	Hywel Dda University Health Board	26.03.2020	Approved
V.12	Audit and Risk Assurance Committee	23.02.2021	Approved

V.12	Hywel Dda University Health Board	25.03.2021	Approved
V.13	Hywel Dda University Health Board	29.07.2021	Approved
V.14	Audit and Risk Assurance Committee	21.06.2022	Approved
V.14	Hywel Dda University Health Board	28.07.2022	Approved
V.15	Audit and Risk Assurance Committee	18.04.2023	Approved
V.15	Hywel Dda University Health Board	25.05.2023	Approved
V.16	Audit and Risk Assurance Committee	20.02.2024	Approved
V.16	Hywel Dda University Health Board	28.03.2024	Approved
V.17	Audit and Risk Assurance Committee	18.06.2024	Approved
V.17	Hywel Dda University Health Board	25.07.2024	Approved
V.18	Hywel Dda University Health Board	30.01.2025	Approved (alongside the new governance arrangements)
V.19	Audit and Risk Assurance Committee	24.06.2025	Approved
V.19	Hywel Dda University Health Board	31.07.2025	Approved
V.20	Audit and Risk Assurance Committee	23.06.2026	Approved
V.20	Hywel Dda University Health Board	30.07.2026	For approval

AUDIT & RISK ASSURANCE COMMITTEE

1. Constitution

1.1 The Audit Committee has been established as a Committee of the Hywel Dda University Health Board (HDdUHB) and constituted from 1 October 2009. The Committee is an independent Committee of the Board and has no executive powers, other than those specifically delegated in these Terms of Reference. On 1 June 2015, the Committee took on an enhanced role and was re-named the Audit and Risk Assurance Committee (the Committee).

2. Purpose

2.1 The purpose of the Audit and Risk Assurance Committee 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 Health Board's system of assurance, to support them in their decision taking and in discharging their accountabilities for securing the achievement of the Health Board's objectives, in accordance with the standards of good governance determined for the NHS in Wales.

2.2 The Committee independently monitors, reviews and reports to the Board on the processes of governance, and where appropriate, facilitates and supports, through its

independence, the attainment of effective processes.

2.3 Where appropriate, the Committee will advise the Board and the Accountable Officer on where, and how, its system of assurance may be strengthened and developed further.

2.4 The Committee's principal duties encompass the following:

2.4.1 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.

2.4.2 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.

2.4.3 Work with other Committees of the Board, including the Regional Joint Committee, to ensure that governance and risks are part of an embedded assurance framework that is 'fit for purpose'.

2.4.4 Receive an assurance on delivery against relevant Planning Goals aligned to the Committee accordance with Board approved timescales, as set out in Health Board's Annual Plan.

2.5 Receive assurance on delivery against the areas of Welsh Government escalation criteria, and the required elements for de-escalation, related to governance, and the effectiveness of the overall process and governance arrangements related to Welsh Government Escalation Framework.

3. Key Responsibilities

The Audit and Risk Assurance Committee shall provide advice, assurance and support to the Board in ensuring the provision of high quality, safe healthcare for its citizens, as follows:

Governance, Risk Management and Internal Control

3.1 The Committee shall review the adequacy of the Health Board'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 supports the achievement of the organisation's objectives.

3.2 In particular, the Committee will review the adequacy of:

3.2.1 all risk and control related disclosure statements (in particular the Accountability Report and the Performance Report), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board;

3.2.2 the underlying assurance processes that indicate the degree of the achievement of strategic and planning objectives, the effectiveness of the

management of principal risks and the appropriateness of the above disclosure statements;

3.2.3 the policies for ensuring compliance with relevant regulatory, legal and code of conduct and accountability requirements; and

3.2.4 the policies and procedures for all work related to fraud and corruption as set out in Welsh Government Directions and as required by the Counter Fraud and Security Management Service.

3.3 In carrying out this work, the Committee will primarily utilise the work of Internal Audit, Clinical Audit, External Audit and other assurance functions, but will not be limited to these audit functions. It will also seek reports and assurances from directors and managers as appropriate, concentrating on the overarching systems of good governance, risk management and internal control, together with indicators of their effectiveness.

3.4 This will be evidenced through the Committee's use of an effective assurance framework to guide its work and that of the audit and assurance functions that report to it.

3.5 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.

3.6 Monitor the assurance environment and challenge the build-up of assurance on the management of key risks across the year, and ensure that the Internal Audit plan is based on providing assurance that controls are in place and can be relied upon (particularly where there is a significant shift between the inherent and residual risk profile), and review the internal audit plan in year as the risk profile changes.

3.7 Seek assurance on delivery against all Planning Goals aligned to the Committee, in accordance with the Board approved timescales, as set out in the Health Board's Annual Plan, considering, and scrutinising the plans and programmes that are developed and implemented, supporting and endorsing these as appropriate.

3.8 Consider and recommend to the Board approval of any changes to the Risk Management Framework.

3.9 Provide assurance with regard to the systems and processes in place for clinical audit, and consider recommendations from the Effective Clinical Practice Panel on suggested areas of activity for review by internal audit.

3.10 The Committee will be responsible for reviewing the Health Board's Standing Orders and Standing Financial Instructions and Scheme of Delegation annually, (including associated framework documents as appropriate), monitoring compliance, and reporting any proposed changes to the Board for consideration and approval.

3.11 To receive annually a full report of all offers of gifts, hospitality, sponsorship and honoraria recorded by the Health Board and report to the Board the adequacy of these arrangements.

3.12 To review and report to the Board annually the arrangements for declaring, registering, and handling interests.

3.13 Approve the writing-off of losses or the making of special payments within delegated limits.

3.14 Receive an assurance on Post Payment Verification Audits through bi-annual reporting to the Committee.

3.15 Receive a report on all Single Tender Actions and extensions of contracts.

Internal Audit

3.16 The Committee shall ensure that there is an effective internal audit established by management that meets the Global Internal Audit Standards provides appropriate independent assurance to the Committee, Chief Executive and Board. This will be achieved by:

- 3.16.1 review and approval of the Internal Audit Strategy, Mandate and Charter, and annual internal audit plan setting out more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation;
- 3.16.2 review of the adequacy of executive and management responses to issues identified by audit, inspection and other assurance activity, in accordance with the Charter;
- 3.16.3 Regular consideration of the major findings of internal audit work (and management's response), and ensure co-ordination between the Internal and External Auditors to optimise audit resources;
- 3.16.4 ensuring that the Internal Audit function is adequately resourced and has appropriate standing within the organisation; and
- 3.16.5 annual review of the effectiveness of internal audit.

External Audit

3.17 The Committee shall review the work and findings of the External Auditor and consider the implications and management's responses to their work. This will be achieved by:

- 3.17.1 discussion and agreement with the External Auditor, before the audit commences, of the nature and scope of the audit as set out in the Annual Plan, and ensure coordination, as appropriate, with other External Auditors and inspection bodies in the local health economy;
- 3.17.2 discussion with the External Auditors of their local evaluation of audit risks and assessment of the Local Health Boards/NHS Trusts and associated impact on the audit fee;
- 3.17.3 review all External Audit reports, including agreement of the Annual Audit Report and Structured Assessment before submission to the Board, and any

work carried outside the annual audit plan, together with the appropriateness of management responses; and

3.17.4 review progress against the recommendations of the annual Structured Assessment.

Other Assurance Functions

3.18 The Committee shall review the findings of other significant assurance functions, both internal and external to the organisation, and consider the implications on the governance of the organisation.

3.19 The Committee's programme of work will be designed to provide assurance that the work carried out by the whole range of external review bodies is brought to the attention of the Board. This will ensure that the Health Board is aware of the need to comply with related standards and recommendations of these review bodies and the risks of failing to comply. These will include, but will not be limited to, any reviews by Inspectors and other bodies (e.g. Healthcare Inspectorate Wales, Welsh Risk Pool, etc), professional bodies with responsibility for the performance of staff or functions (e.g. Royal Colleges, accreditation bodies, etc).

3.20 The Audit and Risk Assurance Committee and the Quality, Safety and Experience Committee both have a role in seeking and providing assurance on Clinical Audit in the organisation. The Audit and Risk Assurance Committee will seek assurance on the overall plan, its fitness for purpose and its delivery. The Quality, Safety and Experience Committee will seek more detail on the clinical outcomes and improvements made as a result of clinical audit. The internal audit function will also have a role in providing assurance on the Annual Clinical Audit Plan.

3.21 The Audit and Risk Assurance Committee will also seek assurances where a significant activity is shared with another organisation and collaboratives, in particular the NHS Wales Shared Services Partnership, Joint Commissioning Committee, and other regional committees. The Audit and Risk Assurance Committee will expect to receive assurances from internal audit performed at these organisations that risks in the services provided to them are adequately managed and mitigated with appropriate controls.

Management

3.22 The Committee shall request and review reports and positive assurances from directors and managers on the overall arrangements for governance, risk management and internal control.

3.23 The Committee may also request specific reports from individual functions within the organisation (e.g. clinical audit), as they may be appropriate to the overall arrangements.

3.24 The Committee may also request or commission special investigations to be undertaken by Internal Audit, directors or managers to provide specific assurance on any areas of concern that come to its attention.

Financial Reporting

3.25 The Committee shall review the Annual Accounts and Financial Statements before submission to the Board, focusing particularly on:

3.25.1 the ISA 260 report to those charged with governance;
3.25.2 changes in, and compliance with, accounting policies and practices;
3.25.3 unadjusted mis-statements in the financial statements;
3.25.4 major judgemental areas;
3.25.5 significant adjustments resulting from the audit;
3.25.6 other financial considerations include review of the Schedule of Losses and Compensation.

3.26 The Committee should also ensure that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Board.

4. Membership

4.1 The membership of the Committee shall comprise of the following:

Member
Independent Member (Chair)
Independent Member (Vice-Chair)
2 x Independent Members

4.2 The following should attend Committee meetings:

In Attendance
Executive Director of Finance
Director of Corporate Governance/Board Secretary (Lead)
Representative of the Auditor General
Head of Internal Audit
Local Counter Fraud Specialist
Assistant Director of Assurance and Risk
Head of Clinical Audit (as and when required)

4.3 Membership of the Committee will be reviewed on an annual basis.

5. Quorum and Attendance

5.1 A quorum shall consist of no less than two of the membership and must include as a minimum the Chair or Vice Chair of the Committee, and one other Independent Member, together with a third of the In Attendance members.

5.2 The membership of the Committee shall be determined by the Board, based on the recommendation of the University Health Board (Health Board) Chair, taking into account the balance of skills and expertise necessary to deliver the Committee's remit, and subject to any specific requirements or directions made by the Welsh Government.

5.3 Any senior officer of the Health Board or partner organisation may, where appropriate, be invited to attend, for either all or part of a meeting, to assist with discussions on a particular matter.

5.4 The Committee may also co-opt additional independent external 'experts' from outside the organisation to provide specialist skills.

5.5 Should any 'in attendance' officer member be unavailable to attend, they may nominate a deputy to attend in their place, subject to the agreement of the Chair.

5.6 The Chief Executive, as the Accountable Officer, should be invited to attend, as a minimum when the Committee considers the draft internal audit plan, to present the draft Accountability Report and the annual accounts, and on request by the Committee.

5.7 The Chair of the Health Board should not be a member of the Audit and Risk Assurance Committee and will not normally attend but may be invited by the Committee Chair to attend all or part of a meeting to assist with its discussions on any particular matter.

5.8 The Head of Internal Audit and the representative of the Auditor General shall have unrestricted and confidential access to the Chair of the Audit and Risk Assurance Committee at any time, and vice versa.

5.9 The Committee will meet with Internal, and External Auditors and the Local Counter Fraud Specialist without the presence of officers on at least one occasion each year.

5.10 The Chair of the Audit and Risk Assurance Committee shall have reasonable access to Executive Directors and other relevant senior staff.

5.11 The Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

6. Agenda and Papers

6.1 The Committee Secretary is to hold an agenda setting meeting with the Chair and/or Vice Chair and the Lead Director (Board Secretary), at least **six** weeks before the meeting date.

6.2 The agenda will be based around the Committee work plan, identified risks, matters arising from previous meetings, issues emerging throughout the year, and requests from Committee members. Following approval, the agenda and timetable for request of papers will be circulated to all Committee members.

6.3 All papers must be approved by the Lead/relevant Director.

6.4 The agenda and papers will be distributed **seven** days in advance of the meeting.

6.5 A draft Table of Actions will be issued within **two** days of the meeting. The minutes and Table of Actions will be circulated to the Lead Director within **seven** days to check the accuracy, prior to sending to Members (including the Committee Chair) to review within the next **seven** days.

6.6 Members must forward amendments to the Committee Secretary within the next **seven** days. The Committee Secretary will then forward the final version to the Committee Chair for approval.

7. In Committee

7.1 The Committee can operate with an In Committee function to receive updates on the management of sensitive and/or confidential information.

8. Frequency of Meetings

8.1 The Committee will meet bi-monthly and shall agree an annual schedule of meetings. Any additional meetings will be arranged as determined by the Chair of the Committee in discussion with the Lead (Board Secretary).

8.2 The Chair of the Committee, in discussion with the Committee Secretary, shall determine the time and the place of and procedures of such Committee meetings.

8.3 The External Auditor and Head of Internal Audit may request a meeting if they consider one is necessary.

9. Accountability, Responsibility and Authority

9.1 Although the Board has delegated authority to the Committee for the exercise of certain functions, as set out in these Terms of Reference, it retains overall responsibility and accountability for ensuring the quality and safety of healthcare for its citizens through the effective governance of the organisation.

9.2 The Committee is directly accountable to the Board for its performance in exercising the functions set out in these terms of reference.

9.3 The Committee shall embed the Health Board's vision, corporate standards, priorities and requirements, e.g. equality and human rights, through the conduct of its business.

9.4 The requirements for the conduct of business as set out in the Health Board's Standing Orders are equally applicable to the operation of the Committee.

10. Reporting

10.1 The Committee, through its Chair and members, shall work closely with the Board's other Committees, including joint/sub committees and groups, to provide advice and assurance to the Board through the:

10.1.1 joint planning and co-ordination of Board and Committee business;

10.1.2 sharing of information.

10.2 In doing so, the Committee shall contribute to the integration of good governance across the organisation, ensuring that all sources of assurance are incorporated into the Board's overall risk and assurance framework.

10.3 The Committee may establish sub-committees or task and finish groups to carry out on its behalf specific aspects of Committee business. The Committee will receive an update following each sub-committee or task and finish group meeting detailing the business undertaken on its behalf.

10.4 The Committee will consider the assurance provided through the work of the Board's other Committees and Sub-Committees to meet its responsibilities for advising the Board on the adequacy of the Health Board's overall assurance framework.

10.5 The Committee Chair, supported by the Committee Secretary, shall:

10.5.1 Report formally, regularly and on a timely basis to the Board on the Committee's activities. This includes the submission of a Committee update report as well as the presentation of an annual report within six weeks of the end of the financial year and timed to support the preparation of the Accountability Report. This should specifically comment on the adequacy of the assurance framework, the extent to which risk management is comprehensively embedded throughout the organisation, the integration of governance arrangements and the appropriateness of self-assessment activity against relevant standards. The report will also record the results of the Committee's self-assessment and evaluation.

10.5.2 Bring to the Board's specific attention any significant matter under consideration by the Committee.

10.5.3 Ensure appropriate escalation arrangements are in place to alert the Health Board Chair, Chief Executive or Chairs of other relevant Committee, of any urgent/critical matters that may affect the operation and/or reputation of the Health Board.

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.

11. Secretarial Support

11.1 The Committee Secretary shall be determined by the Board Secretary.

12. Review Date

12.1 These terms of reference and operating arrangements shall be reviewed on at least an annual basis by the Committee for approval by the Board.