



# **AUDIT, RISK AND ASSURANCE COMMITTEE**

## **ANNUAL REPORT FOR 2024-25**

**March 2025**

## CONTENTS

FOREWORD.....	3
INTRODUCTION.....	4
2024-25 WORK PROGRAMME .....	4
FREQUENCY OF COMMITTEE MEETINGS AND MEMBERSHIP .....	5
COMMITTEE REPORTING ARRANGEMENTS .....	6
COMPLIANCE WITH THE COMMITTEE’S WORK PROGRAMME.....	6
ASSURANCE AND IMPROVEMENT .....	6
External Audit – Audit Wales (AW).....	7
Internal Audit - NHS Wales Shared Services Partnership (NWSSP) .....	8
MONITORING AND IMPLEMENTATION OF AUDIT RECOMMENDATIONS .....	14
RISK MANAGEMENT .....	15
Risk Management Framework.....	15
Frequency of Risk Reviews and Reporting.....	16
Community of Practice – Risk Management.....	17
SELF ASSESSMENT & EVALUATION .....	17
KEY AREAS OF FOCUS IN 2024-25 .....	18
CONCLUSION .....	19
Appendices .....	19

## FOREWORD

I am pleased to present the Audit, Risk and Assurance Committee's (the Committee's) Annual Report for the year ended 31 March 2025.

In this report we provide an overview of the work of the Committee and describe the steps taken to strengthen audit, risk management and assurance arrangements in the last 12 months.

The Committee has welcomed the main conclusion of the Auditor General for Wales' in the Structured Assessment for 2024 which concluded that Aneurin Bevan University Health Board:

'Board and committee governance arrangements are stable and generally effective. However, given its financial and performance challenges, the Health Board's development of a new long-term strategy and delivery of its three-year route map are crucial to enabling the organisation to transform services to meet current and future demand.' The report highlighted further opportunities for improvement in key areas, which will be monitored by the Committee.

The Committee has also acknowledged its role in overseeing the important work that is still being carried out in several areas to improve governance and assurance arrangements. This remains a key focus of the Committee's work in the year ahead.

I would like to take the opportunity to acknowledge and welcome both Dafydd Vaughn and Neil Patrick, who joined the Committee in 2024, and express my personal thanks to all who contributed to the audit, risk, and assurance agenda over the last 12-months.

Diolch yn Fawr / Thank you.

Iwan Jones  
Chair, Audit, Risk and Assurance Committee

## INTRODUCTION

The Standing Orders<sup>1</sup> of Aneurin Bevan University Health Board (referred to throughout this document as 'ABUHB' or the 'Health Board') state that: "*The Board may and, where directed by the Welsh Government must, appoint Committees either to undertake specific functions on the Board's behalf or to provide advice and assurance to the Board in the exercise of its functions. The Board's commitment to openness and transparency in the conduct of all its business extends equally to the work carried out on its behalf by committees*". [Section 3]

The Term of Reference of the Audit & Assurance Committee (referred to throughout this report as 'the Committee') that applied in 2024/25 were approved by the Board in March 2022 (see **Appendix 2**). These were not changed during the reporting year, 2024/25.

The Committee formally adopted its Terms of Reference, following the Board's approval, on 23 March 2022.

The purpose of the Committee is to undertake scrutiny and review of matters related to audit, financial accounting, assurance, and risk management. In doing so, the Committee will support the Board and the Accountable Officer by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report.

The remainder of this report describes how the Committee complied with and satisfied the requirements set out within its Terms of Reference during the period 1 April 2024 to 31 March 2025.

## 2024-25 WORK PROGRAMME

ABUHB Standing Orders require the Director of Corporate Governance to produce an Annual Plan of Board business. This should incorporate formal Board meetings, regular Board Development sessions and, as appropriate, planned activities of the Board's Committees and Advisory Groups.

When the Committee's Work Programme (see **Appendix 3**) was agreed care was taken to ensure that this was aligned to its Terms of Reference and the requirement for the Committee to 'proactively seek information to gain assurance for itself and/or on behalf of the Board'.

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<sup>1</sup>[abuhb-model-standing-orders-reservation-and-delegation-of-powers-september-2023](#)

The Work Programme is, however, a framework rather than a prescriptive agenda. This gives the Committee flexibility to identify changing priorities or any need for further assurance or information.

## FREQUENCY OF COMMITTEE MEETINGS AND MEMBERSHIP

The Terms of Reference state that the committee should meet at least bi-monthly. During 2024-25, the Committee met eight times virtually via Microsoft Teams

- 16 April 2024
- 21 May 2024 (draft annual accounts)
- 09 July 2024 (final annual accounts)
- 12 September 2024
- 12 November 2024
- 18 February 2025

The Terms of Reference state that the Committee should have four members; at the time of writing this report, the Committee consisted of the following Independent Members:

- Iwan Jones - Chair
- Richard Clark – Vice Chair
- Dafydd Vaughn (*Joined April 2024*)
- Neil Patrick (*Joined May 2024*)

Detail of the members and executive directors who attended these meetings is provided at **Appendix 4**.

Committee meetings were regularly attended by representatives from:

- Audit Wales; the Health Board's external auditor;
- Audit & Assurance Services NHS Wales Shared Services Partnership (Internal Audit) and;
- Local Counter Fraud Services.

In 2024-25, the Committee received private briefings (without officers' present) from auditors and the local counter-fraud lead as below:

- Internal Audit (*May 2024 and November 2024*)
- External Audit (*July 2024 and February 2025*)
- Counter Fraud (*April 2024 and September 2024*)

## COMMITTEE REPORTING ARRANGEMENTS

The minutes of Committee meetings are routinely submitted to the Board by way of an Assurance Report, these are included in an overarching Committee Assurance Report.

All Board papers can be accessed via the following link:

[Audit Risk and Assurance Committee](#)

## COMPLIANCE WITH THE COMMITTEE'S WORK PROGRAMME

Among the key issues considered by the Committee during 2024-25, as outlined in the Committee's Work Programme, the following were also considered:

- Update Report on the Clinical Audit Activity.
- Update Report on Consultant Job Planning.
- Update Report on the Implementation of the Actions from the Audit Wales Community Pharmacy Data Matching Report.
- Receive Private Practice Policy.
- Chairs of Audit Committees Operating Arrangements.
- National KPI Template for Capital Projects.
- Receive Responses from Welsh Government on the Questions set out in the Audit Wales Community Pharmacy Data Matching Report.
- Review Audit Recommendation Tracking Process.
- Receive Standards of Behaviour Policy.
- Review Audit Enquires to those charged with Governance and Management.

## ASSURANCE AND IMPROVEMENT

The Committee reviewed and approved the audit strategies and plans for the auditors as listed below and received audit reports produced in support of them during 2024-25: -

- External Auditors, Audit Wales
- Internal Auditors, NWSSP Audit & Assurance Services

In approving the strategies and plans, the Committee ensured that they were robust and linked to the health board's risk profile.

Where reports received a less than reasonable assurance audit rating or where there were specific areas of concern, the appropriate Executive Directors were requested to attend Committee meetings. This process provided opportunities to discuss the reports more fully, and for the Committee to satisfy itself that the findings and recommendations raised in the

reports were being addressed in a timely manner and implemented to address control weaknesses or compliance issues.

Certain reports were referred to other Committees of the Board for ongoing monitoring, for example reports relating to clinical governance issues were referred for further consideration by the Patient Quality Safety and Outcomes Committee.

## EXTERNAL AUDIT – AUDIT WALES (AW)

The Auditor General for Wales is the statutory external auditor for the NHS in Wales. Audit Wales (AW) undertakes the external auditor role for the Health Board on behalf of the Auditor General.

The Audit Wales 2024 Structured Assessment work reviewed the Health Board's corporate governance and financial management arrangements, particularly the progress made in addressing the previous year's recommendations. Findings from the 2024 review were reported to the Committee in February 2025, prior to submission to the Board in March 2025.

**Overall, the Audit Wales report stated:** *"The Health Boards Board and committee governance arrangements are stable and generally effective. However, given its financial and performance challenges, the Health Board's development of a new long-term strategy and delivery of its three-year route map are crucial to enabling the organisation to transform services to meet current and future demand."*

The report went on to say that:

- **Board transparency, effectiveness, and cohesion** – *"Despite reasonably effective Board and committee arrangements, the Health Board should, increase the number of patient safety leadership walk arounds, and improve committee chairs' reporting to Board"*.
- **Corporate systems of assurance** – *"while the Health Board is strengthening its assurance arrangements and its performance management approach is improving, further work is needed."*
- **Corporate approach to planning** – *"the Health Board has generally effective arrangements for developing strategic plans built on good engagement."*

*Developing a new long-term strategy is a clear priority for the Health Board. However, it needs to ensure clinical services plans are developed in consultation with all relevant stakeholders and fully reflects the changes needed to further deliver sustainable clinical service models."*

- **Corporate approach to managing financial resources** - *“the Health Board is improving its financial controls and has a stronger focus on value and savings delivery. However, its significant ongoing financial challenges suggest that it needs a longer-term and detailed financial strategy aligned to sustainable care models.”*

Audit Wales was pleased to hear from Committee Members that they fully recognised the conclusions drawn and the key issues that required further improvement in the year ahead.

Copies of reports produced by Audit Wales can be accessed via the following link: [Audit Wales Publications](#).

Each meeting of the Committee received a progress report from Audit Wales and during 2024-25 the Committee received two External Audit reports, relating to the Health Board’s External Audit Plan.

- Audit of Financial Statements report
- Opinion on the Financial Statements
- Audit of Accounts Report Addendum
- Audit of Charitable Funds Audit of Financial Statements Report and Opinion of the Financial Statements
- Structured Assessment 2024
- Review of Cost Savings Arrangements
- Unscheduled Care: Flow out of Hospital
- Discharge Planning Progress Update
- Audit Wales Community Pharmacy Matching Data

The following reports from 2024/25 plan are expected to be received in Quarters 1 and 2 of the 2025-26 financial year: -

- Review of Quality Governance
- Review of Planned Care Services Recovery
- Eye Care Services
- Urgent and Emergency Care – Arrangements for Managing demand
- Review of Digital Transformation

## INTERNAL AUDIT - NHS WALES SHARED SERVICES PARTNERSHIP (NWSSP)

During the first quarter of 2024-25, the Committee received Internal Audit reports from the schedule for 2023-24 as well as reports from the 2024-25 schedule, including management responses from the relevant Executive Director.

At the time of writing this report, **29** audit reviews have been reported to the Committee.

These are detailed in the assurance rating sections.

The Committee will receive the following **six** final reports from the 2024-25 Internal Audit Plan at its April meeting.

- Embedding of Policies
- Divisional Governance Arrangements
- Directorate Review – Mental Health and Learning Disabilities
- Maternity Services Improvement Plan
- Staff Culture
- The Grange A&E Expansion

The following **3** reports from the 2024-25 audit schedule have been deferred.

- Partnership Arrangements
- Capital Systems/Major Project Provisions (not separately provided)
- Welsh Intensive Care System

The following **15** reports from the 2024-25 audit schedule will be presented at Committee meetings during Quarters 1 and 2 of the 2025-26.

- Financial Sustainability
- Contract Management
- Performance Framework
- Health and Safety Part 1 and 2
- Waiting List Management
- Medical Equipment and Devices
- Medical E-Rostering
- Follow-up of High Priority Recommendations
- Technical Continuity
- Electronic document and records management solution
- NHH Regional Satellite Centre
- Vacant practices
- Job planning

The assurance sections that follow provide a summary of the scope of the Internal Audit Reviews that have been completed and received by the Committee during the financial year, April 2024 to March 2025.

## Substantial Assurance

In the following review areas, it was reported that the Board could take **substantial assurance** that arrangements to secure governance, risk management and internal

control are suitably designed and applied effectively. The few matters that required attention were compliance or advisory in nature with low impact on residual risk exposure.

- **Unified Breast Unit at Ysbyty Ystrad Fawr (2023/24)**

- **Executive Lead: Chief Operating Officer**

- The audit sought to review the management arrangements in place to progress the Ysbyty Ystrad Fawr Unified Breast Unit – in the period after the prior audit which was completed in December 2022.

- **Financial Controls (2023/24)**

- **Executive Lead: Director of Finance and Procurement**

- This internal audit has been undertaken to provide an opinion over the effectiveness of the Health Board's treasury financial controls.

- **Early Supported Discharge – Stroke (2023/24)**

- **Executive Lead: Director of Allied Health Professionals and Support Services.**

- During September 2022, a GIRFT (Getting It Right First Time) report was published, following the completion of a review of stroke services that was requested by Aneurin Bevan University Health Board (the 'Health Board'). A range of recommendations were raised, but this audit focusses on the implementation of the early supported discharge (ESD) pathway. The overall objective of the audit was to assess whether the arrangements in place for the early supported discharge of stroke patients are operating effectively.

- **Maternity Action Plan (2023/24)**

- **Executive Lead: Director of Nursing**

- The Purpose of the audit was to review the governance arrangements in place and examine the tracking and progress of maternity related actions from key recent external reviews.

- **Declarations of Interest (2024/25)**

- **Executive Lead: Director of Corporate Governance**

- The purpose of this audit was to review the arrangements for registering and managing potential conflicts cause by the receipt of gifts, hospitality and external interests.

## Reasonable Assurance

In the following review areas, it was reported that the Board could take **reasonable assurance** that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively.

Some matters required management attention in either control design or operational compliance and these had low to moderate impact on residual risk exposure until resolved.

- **Asset Management (2023/24)**

- **Executive Lead: Director of Finance and Procurement**

- This internal audit has been undertaken to provide an opinion over the effectiveness of the Health Board's processes to create and maintain accurate and up-to-date records of its equipment assets.

- **Risk Management and Assurance (2023/24)**

- **Executive Lead: Director of Corporate Governance**

- The audit sought to access on the effectiveness of the risk management and assurance arrangements in place within the Health Board in order to ensure that strategic objectives are received.

- **Long-Term Sickness Absence Management (2023/24)**

- **Executive Lead: Director of Workforce and OD**

- The purpose of the audit was to review the compliance with the NHS Wales Managing Absence at Work Policy. This was not an audit on the number of sickness absence episodes but whether the Health Board is acting promptly and managing the interests of all parties within the process of managing long term sickness absence.

- **Savings Programmes (2023/24)**

- **Executive Lead: Director of Finance and Procurement**

- The overall objective of the audit is to provide assurance that the Health Boards savings programmes are specific, realistic and measurable and that monitoring arrangements are effective. This audit did not assess the overall 2023/24 deficit position, including additional cost pressures/funding allocation received, but rather focussed on the delivery and management of savings programmes.

- **Medical Equipment and Devices (2023/24)**

- **Executive Lead: Director of Allied Health Professionals and Support Services.**

- This internal audit has been undertaken to provide an opinion over the management and tracking of ultrasound devices throughout the Health Board.

- **Waiting List Management (2023/24)**

- **Executive Lead: Chief Operating Officer**

- To establish whether all patients on the waiting list have been assessed and assigned an appropriate priority rating in line with the Royal College of Surgeons guidance and that suitable arrangements are in place to communicate and support those patients, where applicable, at Aneurin Bevan University Health Board (the 'Health Board').

- **Directorate Review – Theatre Stock (2023/24)**

- **Executive lead: Chief Operating Officer**

This internal audit has been undertaken to provide an opinion over the effectiveness of the Health Board's processes to manage and monitor theatre stock.

- **Intra-site Patient Transfers (2023/24)**

- **Executive Lead: Chief Operating Officer**

- This internal audit has been undertaken to provide an opinion over the management of intra-site patient transfers within Aneurin Bevan University Health Board (the 'Health Board').

- **LINC Programme (2023/24)**

- **Executive Lead: Director of Digital**

- To review the arrangements in place for the mitigation of risk associated with the non or late delivery of the LINC programme of work.

- **NHH Satellite Radiotherapy (2023/24)**

- **Executive Lead: Director of Strategy, Planning and Partnerships.**

- The audit was undertaken to review the delivery and management arrangements in place to progress the development of a Regional Radiotherapy Satellite Centre (RSC) at Nevill Hall Hospital, and the performance to date against its key delivery objectives i.e. time, cost, and quality. This was the second audit of the RSC project.

- **IMTP – Service Delivery Plans (2024/25)**

- **Executive Lead: Director of Strategy, Planning and Partnerships.**

- This internal audit has been undertaken to provide an opinion over the controls to ensure the delivery of IMPT/ Strategic Objectives.

- **Facilities Stock (2024/25)**

- **Executive Lead: Chief Operating Officer**

- A dedicated follow-up review over the implementation progress of the Facilities stock recommendations raised within the 2023/24 audit.

- **End of Life Care (2024/25)**

- **Executive Lead: Director of Nursing**

- To determine if care arrangements for end-of-life care (EoL) patients are planned sufficiently in advance to enable their care to be provided in the community and to avoid unnecessary hospital admission.

- **Providing Care to Asylum Seekers and Refugees (2024/25)**

- **Executive Lead: Chief Operating Officer**

- To provide an opinion over the arrangements in place within Aneurin Bevan University Health Board (the "Health Board") for providing care to asylum seekers and refugees, including that applicable guidance is being adhered to.

- **Intelligence Led Organisation (2024/25)**

- **Executive Lead: Director of Digital**

To evaluate and determine the processes in place to deliver information products to staff and maximise the use of analytics in an appropriate and secure manner.

- **Nevill Hall RAAC (2024/25)**

- **Executive Lead: Chief Operating Officer**

- Reinforced Autoclaves Aerated Concrete (RAAC) is a form of lightweight concrete used in construction in many buildings between the 1950s and 1990s and has only recently been identified as posing a significant risk to the structural integrity of buildings. The audit sought to evaluate the arrangements in place to manage/mitigate the risks associated with the presence of RAAC found within Nevill Hall Hospital (NHH).

- **Estates Assurance – Energy Management (2024/25)**

- **Executive Lead: Chief Operating Officer**

- Noting rising costs of energy, effective management and control of energy costs has been risk assessed as an area of potential benefit for audit.

- **Newport East HWBC (2024/25)**

- **Executive Lead: Director of Public Health**

- The audit was undertaken to review the delivery and management arrangements in place to progress the Newport East Health and Wellbeing Centre project, and the performance to date against its key delivery objectives. This was the second audit of the project and covered the period from the last review in January 2023 to April 2024.

## Limited Assurance

In the following review areas, it was reported that the Board could take **only limited assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, were suitably designed and applied effectively.

More significant matters required management attention with moderate impact on residual risk exposure until resolved.

- **Decarbonisation (2023/24)**

- **Executive Lead: Director of Finance and Procurement**

- To consider progress against the NHS Wales Decarbonisation Strategic Delivery Plan. Following on from the advisory review delivered in 2022/23, the scope included governance, strategy progress and implementation.

- **Regional Partnership Board (2023/24)**

- **Executive Lead: Director of Finance and Procurement**

- This internal audit has been undertaken to provide an opinion over compliance with the Model Standing Orders Reservation and Delegation of Power/ Standing Financial Instructions (SFIs) / Financial Control Procedures (FCPs) of Aneurin Bevan University Health Board (the "Health Board"), regarding Regional Partnership Board (RPB) Payments made on behalf of the RPB, by the Health Board.

- **Bevan Health and Wellbeing Centre (2023/24)**

**Executive Lead: Director of Public Health**

The audit sought to review the delivery and management arrangements in place to progress the Bevan Health and Wellbeing Centre.

- **Records Management (2024/25)**

**Executive Lead: Director of digital**

The purpose of this audit was to assess the implementation of the recommendations raised within the 2022/23 internal audit and to retest the agreed objectives.

## No Assurance

There were no audited areas that reported **no assurance**.

## Assurance Rating Not Applicable

The following reviews were undertaken as part of the audit plan and reported or closed by correspondence without the standard assurance rating indicator, owing to the nature of the audit approach.

- **Follow-up of High Priority Recommendations (2023/24)**

**Executive Lead: Director of Corporate Governance**

To assess whether high priority internal audit recommendations have been implemented and the completeness and accuracy of the updates provided to the Audit, Risk and Assurance Committee via the Audit Recommendation Tracking Tool ("the Tracker")

- **Flexible Working (Advisory) (2023/24)**

**Executive Lead: Director of Workforce and OD**

The purpose of this review was to determine if the requirements of the Flexible Working Policy and Guidance are being applied consistently across the organisation. This is an advisory review and so, although management actions have been raised the review has not been given an assurance rating.

## MONITORING AND IMPLEMENTATION OF AUDIT RECOMMENDATIONS

Following the April 2024 Follow-up of High Priority Recommendations Audit, comprehensive tracking of all high priority recommendations was implemented.

During 2024/25, significant and sustained progress has been made in strengthening the management of audit recommendations. A focused effort has been made to ensuring timely implementation, with particular attention given to longstanding recommendations (pre-2022). This targeted approach has contributed to a more robust and accountable system of oversight.

In addition, the development of comprehensive process for Audit and strengthened relationships with service leads and executive directors has resulted in improvements in the implementation of recommendations.

The measures implemented maintain the integrity of the Tracker and ensure that the Committee receives an enhanced level of assurance surrounding implementation and monitoring of audit recommendations.

At each meeting, the Committee received an update on the status of internal and external audit recommendations. At the final meeting of the 2024/25 financial year the closing position of the Audit Recommendations Tracker is set out below:

**69** recommendations across **38** Audit Reports are live on the Tracker. Of the 69:

- **21** are within the original implementation date; and,
- **48** are overdue against their original implementation date.

It is important to note that the number of 'live' recommendations is subject to continual change due to the ongoing nature of the audit cycle, with new recommendations regularly being added to the tracker. However, this should not detract from the year-on-year improvement or the meaningful progress made in resolving outstanding actions. More importantly, it highlights a positive cultural shift in how audit outcomes are owned, prioritised, and acted upon across the Health Board.

## RISK MANAGEMENT

### RISK MANAGEMENT FRAMEWORK

The Risk Management Framework, Policy, and Appetite Statement provide assurance that the Health Board has robust risk management processes in place, with a clear structure for risk escalation via hierarchical risk registers and assurance meetings to ensure the delivery of operational and strategic objectives.

Since the refreshed approach and the establishment of the Strategic Risk Register, there has been a gradual shift in the organisation's outlook and approach to risk. This shift is evidenced by an increase in requests for training, support in the development of directorate and divisional risk registers, and a greater emphasis on risk as a driver for agendas.

Moving into 2025/26, there will be a greater emphasis on assurance mapping across the Three Lines Model to demonstrate assurance sources and provide a clearer line of sight of risks linked to the Health Board's Strategic Objectives and Ministerial Priorities.

Furthermore, reporting of the Corporate Risk Register will commence in 2025 to provide a holistic view of strategic and corporate risks (high-level operational risks).

To strengthen the internal control system, a system-wide assurance mapping exercise linked to the Quality Assurance and Performance Management Frameworks will be carried out to provide the Committee with the assurances it requires regarding its delegated responsibilities.

In late 2025, the Committee will receive an updated report on risk management that includes an assessment of the Health Board's risk management maturity.

**FREQUENCY OF RISK REVIEWS AND REPORTING**

At each meeting of the Committee, an overview of the Strategic Risk Register is provided with detailed risk assessments of the risks. The Board then receives the overview of the Strategic Risk Register, and any areas of concern are highlighted, as appropriate.

At the end of the 2024/25 financial year, the Strategic Risk Register holds nine principal risks and 21 sub risks, shown below.

Risk Scoring Matrix					
Likelihood/ Frequency	Consequence/Impact				
	1. Negligible	2. Minor	3. Moderate	4. Major	5. Catastrophic
5. Almost Certain				1 x <b>(Extreme)</b> *SRR 001G	
4. Likely					
3. Possible			1 x <b>(High)</b> SRR 007 B	13 x <b>(High)</b> SRR 001 A - D, F, *I, *SRR 002 B *SRR 004 B, SRR 005 A SRR 006 A, B, C *SRR 010	2 x <b>(Extreme)</b> *SRR 002A SRR 011A
2. Unlikely				4 x <b>(Moderate)</b> SRR 001 E SRR 004 A SRR 007 A SRR 008 A	
1. Rare					

## COMMUNITY OF PRACTICE – RISK MANAGEMENT

The Risk Management Community of Practice (CoP) will be refreshed in 2025 to enhance its value, promote risk maturity, and share best practices for risk management and organisational learning.

## SELF ASSESSMENT & EVALUATION

As part of the Health Board's statutory requirements, each Committee of the Board is required to conduct an annual self-evaluation of committee effectiveness. All Board Members are required to complete a self-assessment for each Committee on which they are a member, to determine its effectiveness and ability to carry out its responsibilities.

The outcome of the assessment will enable the Committee to identify areas of development and focus for the coming year, such as any training and development, as well as changes to processes and procedures.

The self-assessment for the Audit, Risk and Assurance Committee was shared throughout January and February 2025 with both Committee members and lead Executive Directors. Five responses were received to the questionnaire. Members are requested to score their responses from 1-3, as per the table below.

Score	Measure	Description
1	Room for improvement	The Committee is falling short of requirements and should consider how it can work towards becoming more effective in this area
2	Meeting standards	The Committee is performing to the required standard in this area. There may be room for improvement, but the Committee can be seen to be discharging its responsibilities effectively.
3	Excelling	This is an area where the Committee is performing beyond the standard expectations and is a real area of strength when it comes to exercising its responsibilities.

Following completion of the self-assessments, the sections were analysed to provide an overall score for the section and recommendation for improvements for each section. A summary of the results is provided below. Further detail on the responses can be found at **Appendix One**.

Audit, Risk & Assurance	Areas for Improvement based on comments received	Action
Committee Processes: Composition, Establishment, and	Development of tailored training and induction to support new Independent Members to undertake their role effectively	<ul style="list-style-type: none"> <li>Revised local Induction Programme being developed for the Health Board</li> <li>National Induction Programme launched by HEIW</li> </ul>

Ways of Working (Q 1-27)		
	<p>Quality of reports: Ensure reports are clear, concise and accessible for all members to support effective decision making.</p> <p>Reports should also be in an accessible format (not large excel spreadsheets)</p>	<ul style="list-style-type: none"> <li>• Report writing included within Development programme being developed with the Good Governance Institute</li> <li>• New board book software being developed</li> </ul>
Internal Control and Risk Management (Q 28-35)	No Comments Received	N/A
Annual Report and Accounts and Disclosure Statements (Q36-39)	* All areas highlighted were confirmed as reviewed by this Committee	N/A
Internal Audit (Q40-49)	No Comments Received	N/A
External Audit (Q50-56)	No Comments Received	N/A
Clinical Audit (Q57-58)	No Comments Received	N/A
Counter Fraud (Q59-66)	No Comments Received	N/A
<b>Overall Assessment</b>	<b>MEETING STANDARDS</b>	

The findings from the self-assessment will be used to inform a comprehensive annual assessment of the Board’s effectiveness. The effectiveness of the Board’s Business function is reported through the Annual Governance Statement, enabling a focus on the work undertaken with the Board’s Committees, interconnectedness of the committees and escalation to the Board, as well as the culture between the Health Board and its auditors, regulators, and partners.

**KEY AREAS OF FOCUS IN 2025-26**

In the year ahead the Committee will continue to focus on those matters that will strengthen audit, risk, and assurance arrangements. The Committee Work Programme has been designed to ensure that in relation to all aspects of audit:

1. internal financial control matters, such as safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information;

2. adequacy of disclosure statements (Governance Statement) which are supported by the Head of Internal Audit Opinion and other opinions;
3. internal and external audit recommendations continue to be monitored, reviewed, and evaluated to ensure compliance and where compliance is not evidenced, clear, agreed rationale is provided;
4. the policies and procedures related to fraud and corruption, and;
5. that the system for risk management is robust in identifying and mitigating risks.

Thus, enabling the Committee to provide the Board with assurance that the risks impacting on the delivery of the Health Board's objectives are being appropriately managed.

The annual Committee Programme of Business will be reported to each meeting for discussion.

Hardcopies of the Work Programme can be obtained from the Director of Corporate Governance, Headquarters, St Cadoc's Hospital, Lodge Road, Caerleon, NP18 3ZQ.

## CONCLUSION

This report provides a summary of the work undertaken by the Committee over the past 12 months and demonstrates how the Committee has complied with the Terms of Reference.

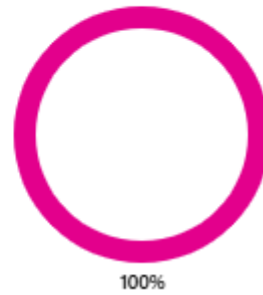
## APPENDICES

- Appendix 1 – Audit, Risk & Assurance Self-Assessment response detail.
- Appendix 2 – Audit, Risk & Assurance Committee Terms of Reference 2023/24
- Appendix 3 - Audit, Risk & Assurance Committee 2023/24 Work Plan
- Appendix 4 - Independent Members and Lead Executives Attendance at the Audit, Risk & Assurance Committee Meetings 2023/24

## Appendix 1:

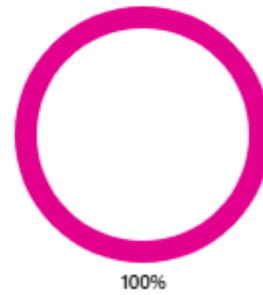
1. Does the Committee have written terms of reference, and have they been approved by the Board?

● 1 - Room for Improvement	0
● 2 - Meeting Standards	5
● 3 - Excelling	0



2. Are the terms of reference reviewed annually?

● 1 - Room for Improvement	0
● 2 - Meeting Standards	5
● 3 - Excelling	0



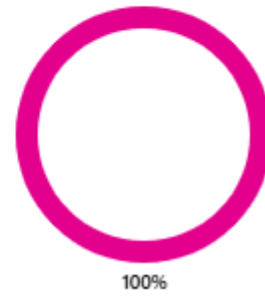
3. The number of meetings held during the year is sufficient to allow the Committee to perform as effectively as possible?

● 1 - Room for Improvement	0
● 2 - Meeting Standards	5
● 3 - Excelling	0



4. Has the Committee been quorate for each meeting this year?

● 1 - Room for Improvement	0
● 2 - Meeting Standards	5
● 3 - Excelling	0



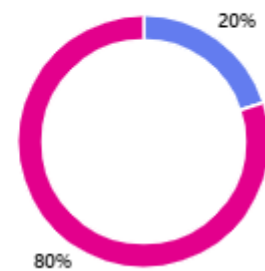
5. In terms of numbers, membership of the Committee is sufficient to discharge its responsibilities?

● 1 - Room for Improvement	0
● 2 - Meeting Standards	5
● 3 - Excelling	0



6. Members who have recently joined the ARAC have been provided with induction training to help them understand their role and the organisation?

● 1 - Room for Improvement	1
● 2 - Meeting Standards	4
● 3 - Excelling	0



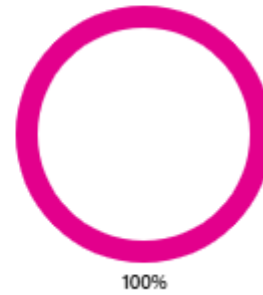
7. The Committee is clear about its role in relationship to other Committees that play a role in relations to clinical governance quality and risk management?

- 1 - Room for Improvement      2
- 2 - Meeting Standards          3
- 3 - Excelling                      0



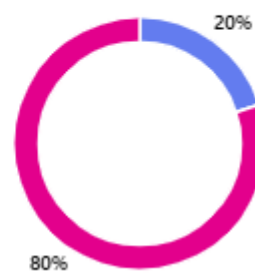
8. Committee members understand their responsibilities regarding identifying, declaring, and resolving conflicts of interest?

- 1 - Room for Improvement      0
- 2 - Meeting Standards          5
- 3 - Excelling                      0



9. The Committee uses assurance mapping to identify where assurance is required and identify any key gaps where no assurance is provided, or where the quality of the assurance is poor?

- 1 - Room for Improvement      1
- 2 - Meeting Standards          4
- 3 - Excelling                      0



10. The Committee has an established a plan of matters to be dealt with across the year?

- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



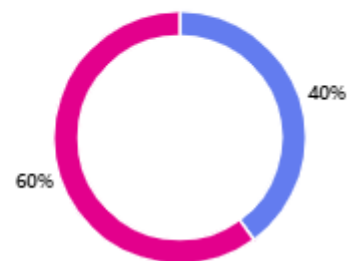
11. Does the Committee consider issues at the right time and in the right level of detail?

- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



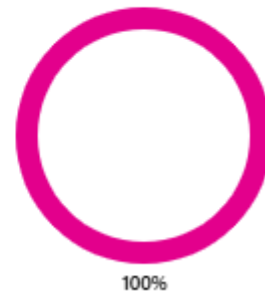
12. The Committee ensure that the relevant executive director attends meetings to enable it to understand the reports and information it receives?

- 1 - Room for Improvement 2
- 2 - Meeting Standards 3
- 3 - Excelling 0



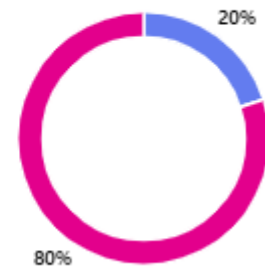
13. Are the Committee's papers distributed in sufficient time for members to give them due consideration?

● 1 - Room for Improvement	0
● 2 - Meeting Standards	5
● 3 - Excelling	0



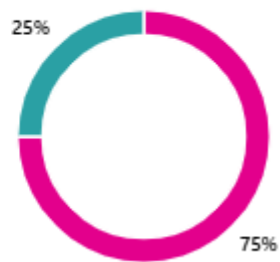
14. The quality of the Committee's papers received allows Committee members to perform their roles effectively?

● 1 - Room for Improvement	1
● 2 - Meeting Standards	4
● 3 - Excelling	0



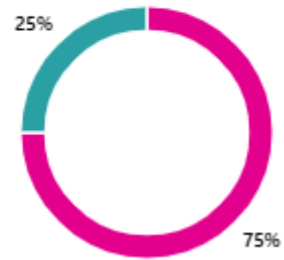
15. Committee meetings are chaired effectively?

● 1 - Room for Improvement	0
● 2 - Meeting Standards	3
● 3 - Excelling	1



16. The Committee chair allows debate to flow freely and does not assert his/her own view too strongly?

● 1 - Room for Improvement	0
● 2 - Meeting Standards	3
● 3 - Excelling	1



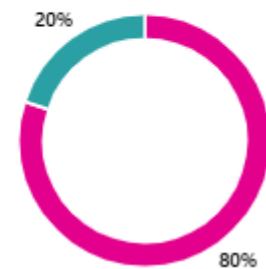
17. The Committee environment enables people to express their views, doubts, and opinions?

● 1 - Room for Improvement	0
● 2 - Meeting Standards	2
● 3 - Excelling	2



18. The Committee challenges management and other assurance providers to gain a clear understanding of their findings?

● 1 - Room for Improvement	0
● 2 - Meeting Standards	4
● 3 - Excelling	1



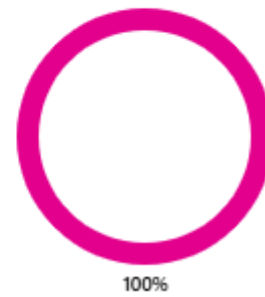
19. Members hold their assurance providers (management) to account for late or missing assurance?

- 1 - Room for Improvement 2
- 2 - Meeting Standards 3
- 3 - Excelling 0



20. Internal and External Audit contributes to the debate across the range of the agenda?

- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



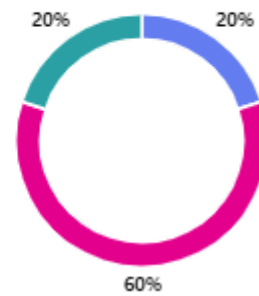
21. Each agenda item is 'closed off' appropriately so that the Committee is clear on the conclusion; who is doing what, when and how and how it is being monitored?

- 1 - Room for Improvement 0
- 2 - Meeting Standards 4
- 3 - Excelling 0



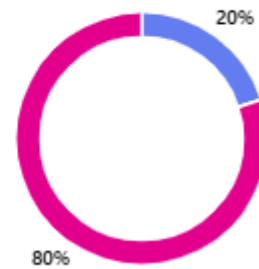
22. At the end of each meeting the Committee discuss the outcomes and reflect on decisions made and what worked well, not so well etc?

● 1 - Room for Improvement	1
● 2 - Meeting Standards	3
● 3 - Excelling	1



23. Decisions and actions are implemented in line with the timescale set down?

● 1 - Room for Improvement	1
● 2 - Meeting Standards	4
● 3 - Excelling	0



24. Are the outcomes of each meeting and any internal control issues reported to the next Board meeting?

● 1 - Room for Improvement	0
● 2 - Meeting Standards	5
● 3 - Excelling	0



25. Does the Committee prepare an annual report on its work and performance for the Board?

- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



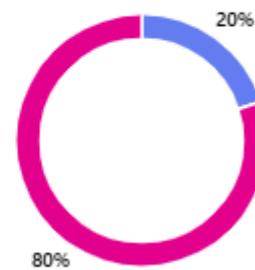
26. The results of the annual self-assessment are used to inform and influence succession planning and improve effectiveness.

- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



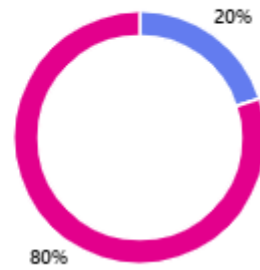
27. The self-assessment is objective and rigorous enough for meaningful conclusions to be drawn?

- 1 - Room for Improvement 1
- 2 - Meeting Standards 4
- 3 - Excelling 0



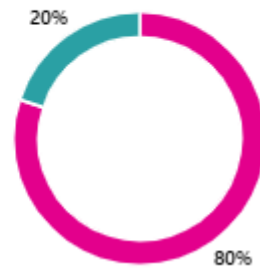
28. Has the Committee reviewed the effectiveness of the organisation's assurance framework?

● 1 - Room for Improvement	1
● 2 - Meeting Standards	4
● 3 - Excelling	0



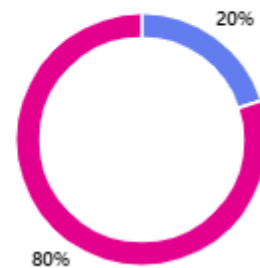
29. The Committee has an effective system for monitoring management's progress with recommendations from internal and external sources?

● 1 - Room for Improvement	0
● 2 - Meeting Standards	4
● 3 - Excelling	1



30. Does the Committee receive and review the evidence required to demonstrate compliance with regulatory requirements – for example, as set by the Health Inspectorate Wales, Audit Wales, HSE etc?

● 1 - Room for Improvement	1
● 2 - Meeting Standards	4
● 3 - Excelling	0



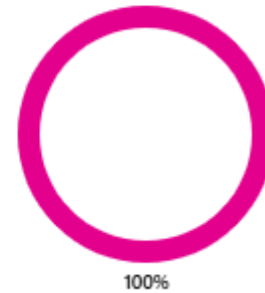
31. The Committee challenges management on whether there is a comprehensive process for identifying and evaluating risk, and for deciding what levels of risk are tolerable?

- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



32. The Committee critically challenges and reviews the adequacy and effectiveness of control processes in responding to risks?

- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



33. The Committee has a good understanding of how the organisation develops, operates, and monitors the system of internal control.

- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



34. When any significant failings or weaknesses in internal control arise, the Committee reviews management's analysis of the root cause and subsequent action plan.

- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



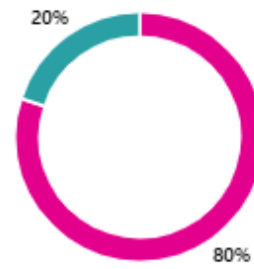
35. Has the Committee reviewed the accuracy of the draft annual governance statement?

- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



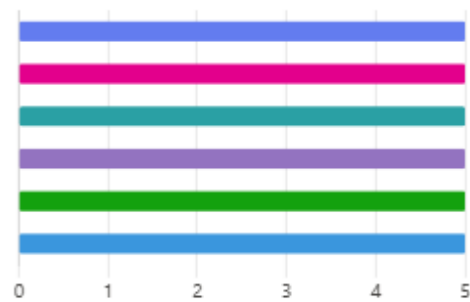
36. Does the Committee receive and review a draft of the organisation's annual report and accounts?

- 1 - Room for Improvement 0
- 2 - Meeting Standards 4
- 3 - Excelling 1



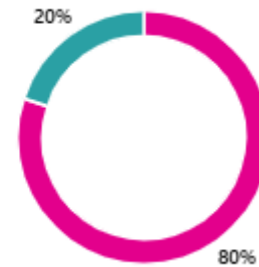
37. Does the Committee specifically review?

- a. Changes in accounting policies? 5
- b. Changes in accounting practice due to changes in accounting standards? 5
- c. Changes in estimation techniques? 5
- d. Significant judgements made in preparing the accounts? 5
- e. Significant adjustments resulting from the audit? 5
- f. Explanations of any significant variances? 5



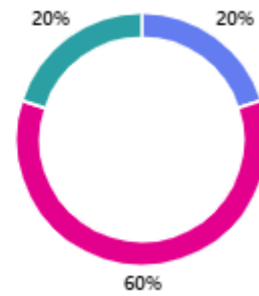
38. Is a meeting of the Committee scheduled to discuss any proposed adjustments to the accounts and audit issues?

- 1 - Room for Improvement 0
- 2 - Meeting Standards 4
- 3 - Excelling 1



39. Does the Committee ensure it receives explanations for any unadjusted errors in the accounts found by the external auditors?

- 1 - Room for Improvement 1
- 2 - Meeting Standards 3
- 3 - Excelling 1



40. Is there a formal 'internal audit charter' which includes terms of reference, defining internal audit's objectives and responsibilities?

- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



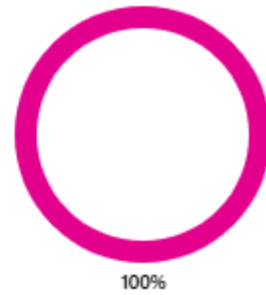
41. Does the Committee review and approve the internal audit plan and any changes to the plan?

- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



42. Is the Committee confident that the audit plan is derived from a clear risk assessment process?

● 1 - Room for Improvement	0
● 2 - Meeting Standards	5
● 3 - Excelling	0



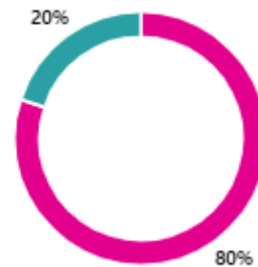
43. Does the Committee receive periodic progress reports from the Head of Internal Audit?

● 1 - Room for Improvement	0
● 2 - Meeting Standards	5
● 3 - Excelling	0



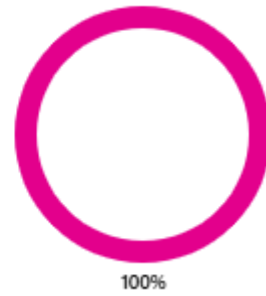
44. Does the Committee effectively monitor the implementation of management actions arising from internal audit reports?

● 1 - Room for Improvement	0
● 2 - Meeting Standards	4
● 3 - Excelling	1



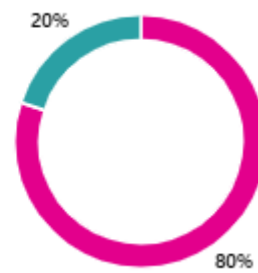
45. Does the Head of Internal Audit have a right of access to the Committee and its chair at any time?

● 1 - Room for Improvement	0
● 2 - Meeting Standards	5
● 3 - Excelling	0



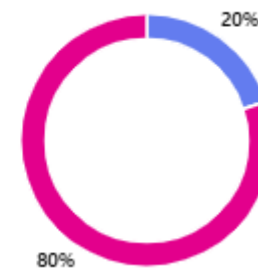
46. Is the Committee confident that Internal Audit is free of any scope restrictions, or operational responsibilities?

● 1 - Room for Improvement	0
● 2 - Meeting Standards	4
● 3 - Excelling	1



47. Has the Committee evaluated whether Internal Audit complies with the Public Sector Internal Audit Standards?

● 1 - Room for Improvement	1
● 2 - Meeting Standards	4
● 3 - Excelling	0



48. Does the Committee receive and review the Head of Internal Audit's Annual Opinion Report?

● 1 - Room for Improvement	0
● 2 - Meeting Standards	5
● 3 - Excelling	0



49. Does the Committee hold periodic private discussions with external auditors?

- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



50. Do the external auditor's present their audit plan to the Committee for agreement and approval?

- 1 - Room for Improvement 2
- 2 - Meeting Standards 3
- 3 - Excelling 0



51. Does the Committee review the external auditor's ISA 260 report (the report to those charged with governance)?

- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



52. Does the Committee review the external auditor's value for money conclusion?

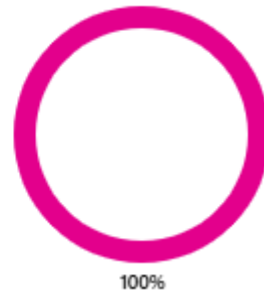
- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



100%

53. Does the Committee review the external auditor's opinion on the quality account when necessary?

- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



100%

54. Does the Committee hold periodic private discussions with external auditors?

- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



100%

55. Does the Committee require assurance from External Audit about its policies for ensuring independence?

- 1 - Room for Improvement 0
- 2 - Meeting Standards 4
- 3 - Excelling 0



100%

56. Has the Committee approved a policy to govern the value and nature of non-audit work carried out by the external auditors?

- 1 - Room for Improvement      2
- 2 - Meeting Standards          2
- 3 - Excelling                      0



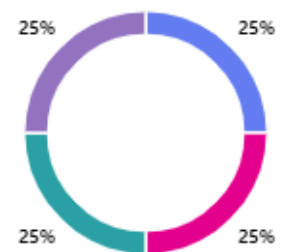
57. If the Committee is NOT responsible for monitoring clinical audit, does it receive appropriate assurance from the relevant Committee?

- 1 - Room for Improvement      2
- 2 - Meeting Standards          2
- 3 - Excelling                      0



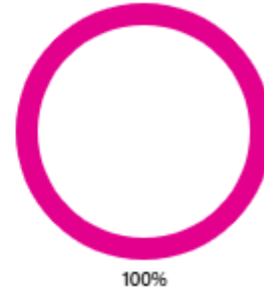
58. If the Committee is responsible for monitoring clinical audit, has it:

- a. Reviewed an annual clinical audit plan?      1
- b. Received regular progress reports?            1
- c. Monitored the implementation of management of actions?      1
- d. Received a report over the quality assurance processes covered by clinical audit activity      1



59. Does the Committee review and approve the counter fraud work plans, and any changes to the plans?

- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



100%

60. Is the Committee satisfied that the work plan is derived from an appropriate risk assessment and that coverage is adequate?

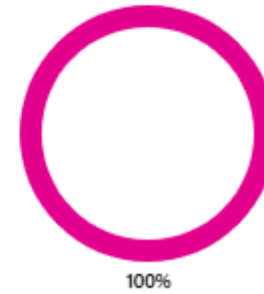
- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



100%

61. Does the audit Committee receive periodic reports about counter fraud activity?

- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



100%

62. Does the Committee effectively monitor the implementation of management actions arising from counter fraud reports?

- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



100%

63. Do those working on counter fraud activity have a right of direct access to the Committee and its chair?

- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



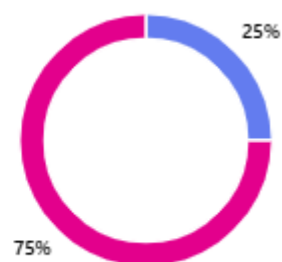
64. Does the Committee receive and review an annual report on counter fraud activity?

- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



65. Does the Committee receive and discuss reports arising from quality inspections by NHSCFA?

- 1 - Room for Improvement 1
- 2 - Meeting Standards 3
- 3 - Excelling 0



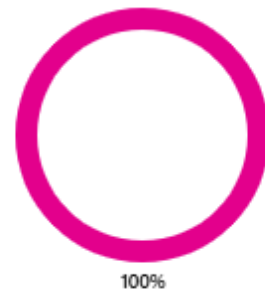
66. Does the Committee hold periodic private discussions with external auditors?

- 1 - Room for Improvement 0
- 2 - Meeting Standards 5
- 3 - Excelling 0



Overall

- **Room for improvement** - The ARAC is falling short of requirements and should consider how it can wo... 0
- **Meeting standards** - The ARAC is performing to the required standard in this area. There may be room... 5
- **Excelling** - This is an area where the ARAC is performing beyond the standard expectations and i... 0



## Appendix 2



**GIG**  
CYMRU  
**NHS**  
WALES

Bwrdd Iechyd Prifysgol  
Aneurin Bevan  
University Health Board



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# Terms of Reference & Operating Arrangements

Version: Approved

Date: March 2022

<b>Document Title:</b>	Audit, Risk & Assurance Committee Terms of Reference – 2022/23
<b>Date of Document:</b>	March 2022
<b>Current version:</b>	Approved
<b>Previous version:</b>	May 2021
<b>Approved by:</b>	Board
<b>Review date:</b>	March 2023

## 1. INTRODUCTION

- 1.1 Section 2 of Aneurin Bevan University Health Board's Standing Orders (referred to in this document as 'ABUHB or the 'Health Board') Standing Orders provides that "*The Board may and, where directed by the Welsh Government must, appoint Committees of the THB either to undertake specific functions on the Board's behalf or to provide advice and assurance to the Board in the exercise of its functions. The Board's commitment to openness and transparency in the conduct of all its business extends equally to the work carried out on its behalf by committees*".
- 1.2 The Board has established a committee to be known as the **Audit, Risk and Assurance Committee** (referred to throughout this document as 'the Committee'). The Committee has been established in order to enable the scrutiny and review of matters related to audit, financial accounting, assurance and risk management, to a level of depth and detail not possible in Board meetings.
- 1.3 The detailed Terms of Reference and operating arrangements approved by the Board for this Committee are detailed below.

## 2. PURPOSE

- 2.1 The purpose of the Committee is to support the Board and Accounting Officer by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report by:
- independently monitoring, reviewing and reporting to the Board on the processes of governance, risk management and internal control in accordance with the standards of good governance determined for the NHS in Wales;
  - advising the Board and the Accountable Officer on where, and how, its system of assurance may be strengthened and developed further;

- Maintaining an appropriate financial focus demonstrated through robust financial reporting and maintenance of sound systems of internal control; and
  
- Working with the other committees of the Board to provide assurance that governance and risk management arrangements are adequate and part of an embedded Board Assurance Framework that is 'fit for purpose'.

### **3. DELEGATED POWERS AND AUTHORITY**

3.1 The Audit, Risk and Assurance Committee will advise the Board and Accountable Officer on:

- the design, operation and effectiveness of strategic processes for risk management, internal control and corporate governance across the whole of the organisations activities;
  
- the Annual Accountability Report, which includes the Annual Governance Statement;
  
- the accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;
  
- the planned activity and results of internal and external audit;
  
- adequacy of management response to issues identified by audit activity, including external audit's management letter;
  
- assurances relating to the management of risk and corporate governance requirements for the organisation;

- systems for financial reporting to the Board (including those of budgetary control);
- proposals for tendering for the purchase of audit and non-audit services from contractors who provide audit services; and
- anti-fraud policies, whistle-blowing processes, and arrangements for special investigations.

The Audit, Risk and Assurance Committee will also periodically review its own effectiveness and report the results of that review to the Board.

### 3.2 The Committee's workplan will include:

- a report summarising any significant changes to the organisation's strategic risks and a copy of the strategic/corporate Risk Register;
- a progress report from the Head of Internal Audit summarising:
  - ✓ work performed (and a comparison with work planned);
  - ✓ key issues emerging from the work of internal audit;
  - ✓ management response to audit recommendations;
  - ✓ changes to the agreed internal audit plan; and
  - ✓ any resourcing issues affecting the delivery of the objectives of internal audit;
- a progress report (written/verbal) from the External Audit representative summarising work done and emerging findings (this may include, where relevant to the organisation, aspects of the wider work carried out by the Wales Audit Office, for example, Value for Money reports and good practice findings);
- management assurance reports;

- reports (where appropriate) on action taken within the Board's Scheme of Delegation as regards:
  - ✓ use of single tender waivers;
  - ✓ extensions of contracts;
  - ✓ writing off of losses; or
  - ✓ the making of special payments;
  
- A report summarising progress in the implementation of audit recommendations, together with a copy of the Audit Recommendations Tracker;

and when appropriate the Committee will be provided with:

- proposals for the terms of reference of internal audit / the internal audit charter;
  
- the internal audit strategy;
  
- the Head of Internal Audit's Annual Opinion and Report;
  
- quality assurance reports on the internal audit function;
  
- the draft accounts of the organisation;
  
- the draft Annual Accountability Report which includes the Annual Governance Statement;
  
- a report on any changes to accounting policies;
  
- external Audit's management letter;
  
- a report on any proposals to tender for audit functions;
  
- a report on co-operation between internal and external audit;

- the organisation's Risk Management strategy;
- periodic reporting on Post Payment Verification Audits, and arrangements for managing declarations of interest and gifts and hospitality; and
- annual review of the Board's Standing Orders and Standing Financial Instructions, monitoring compliance and reporting any proposed changes to the Board for consideration and approval.

3.3 In carrying out this work the Committee will primarily utilise the work of Internal Audit, External Audit and other assurance functions, but will not be limited to these. 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 The Committee's programme of work will also be designed to provide assurance that:

- there is an effective internal audit function that meets the standards set for the provision of internal audit in the NHS in Wales and provides appropriate independent assurance to the Board and the Accountable Officer through the Committee;
- there is an effective counter fraud service that meets the standards set for the provision of counter fraud in the NHS in Wales and provides appropriate assurance to the Board and the Accountable Officer through the Committee;
- there is an effective clinical audit and quality improvement function that meets the standards set for the NHS in Wales and provides appropriate assurance to the Board and the Accountable Officer through the Experience, Quality & Safety Committee;
- there are effective arrangements in place to secure active, ongoing assurance from management with regard to their

responsibilities and accountabilities, whether directly to the Board and the Accountable Officer or through the work of the Board's committees;

- the work carried out by key sources of external assurance, in particular, but not limited to the health board's external auditors, is appropriately planned and co-ordinated and that the results of external assurance activity complements and informs (but does not replace) internal assurance activity;
- the work carried out by the whole range of external review bodies is brought to the attention of the Board, and that the organisation is aware of the need to comply with related standards and recommendations of these review bodies, and the risks of failing to comply; and
- the results of audit and assurance work specific to the health boards, and the implications of the findings of wider audit and assurance activity relevant to the HB's operations, are appropriately considered and acted upon to secure the ongoing development and improvement of the organisations governance arrangements.

## **Authority**

3.5 The Committee is authorised by the Board to investigate or have investigated any activity within its terms of reference. In doing so, the Committee shall have the right to inspect any books, records or documents of the health board relevant to the Committee's remit and ensuring patient/client and staff confidentiality, as appropriate. It may seek any relevant information from any:

- employee (and all employees are directed to cooperate with any reasonable request made by the Committee); and
- any other committee, subcommittee or group set up by the Board to assist it in the delivery of its functions.

3.6 The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance

of outsiders with relevant experience and expertise if it considers it necessary, in accordance with the Board's procurement, budgetary and other requirements.

## **Access**

3.7 The Head of Internal Audit and the Engagement Partner/Audit Manager of External Audit shall have unrestricted and confidential access to the Chair of the Audit, Risk & Assurance Committee.

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

3.9 The Chair of the Committee shall have reasonable access to Executive Directors and other relevant senior staff.

## **Sub Committees**

3.10 The Committee may, subject to the approval of the LHB Board, establish sub committees or task and finish groups to carry out on its behalf specific aspects of Committee business.

## **4. MEMBERSHIP**

### **Members**

4.1 Membership will comprise a minimum of four (4) members, comprising:

Chair Independent Member of the Board

Vice Chair Independent Member of the Board

Members Independent Member of the Board x 2

The Committee may also co-opt additional independent 'external' members from outside the organisation to provide specialist skills, knowledge and expertise.

## **Attendees**

4.2 In attendance: The following members of the Executive Team will be regular attendees:

- The Accountable Officer
- Director of Finance, Procurement and VBHC
- Director of Corporate Governance

Other attendees will be:

- Head of Internal Audit
- Local Counter Fraud Specialist
- Representative of the Auditor General/External Audit

4.3 By invitation: The Committee Chair may extend invitations to attend committee meetings to the following:

- other Executive Directors; and
- other officials from within or outside the organisation to attend all or part of a meeting to assist it with its discussions on any particular matter.

## **Secretariat**

4.4 The secretariat for the Committee will be provided by the Office of the Director of Corporate Governance.

## **Member Appointments**

4.5 The membership of the Committee shall be determined by the Board, based on the recommendation of the Chair of ABUHB - taking account of 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.

- 4.6 Members shall be appointed to hold office for a period of one year at a time, up to a maximum of their term of office. During this time a member may resign or be removed by the Board.
- 4.7 Terms and conditions of appointment, (including any remuneration and reimbursement) in respect of co-opted independent external members are determined by the Board, based upon the recommendation of the Chair of ABUHB.

### **Support to Committee Members**

- 4.8 The Director of Corporate Governance, on behalf of the Committee Chair, shall:
- arrange the provision of advice and support to committee members on any aspect related to the conduct of their role; and
  - ensure the provision of a programme of development for committee members as part of the Board's overall Development Programme.

## **5. COMMITTEE MEETINGS**

### **Quorum**

- 5.1 At least three members must be present to ensure the quorum of the Committee, one of whom should be the Committee Chair or Vice Chair.
- 5.2 Where members notify the Committee Chair or Committee Secretariat that they are unable to attend a meeting, and there is a danger that the Committee will not be quorate, the Chair can invite another independent member to become a temporary member of the Committee.

### **Frequency of Meetings**

- 5.3 The Chair of the Committee, in agreement with Committee Members, shall determine the timing and frequency of

meetings. However, meetings shall be held as a minimum on a **Bi-Monthly basis** (six times per year) and in line with the health board's annual plan of Board Business. However, additional meetings will be called, in agreement with the Chair of the Committee, if urgent business is required to be taken forward between scheduled meetings.

## **Openness and Transparency**

5.4 Section 3.1 of ABUHB Standings Orders confirms the Board's commitment to openness and transparency in the conduct of all its business and extends equally to the work carried out on its behalf by Committees. The Board requires, wherever possible, meetings to be held in public. The Committee will:

- hold meetings in public, other than where a matter is required to be discussed in private (see point 5.6);
- issue an annual programme of meetings (including timings and venues) and its annual programme of business;
- publish agendas and papers on the Health Board's website in advance of meetings;
- ensure the provision of agendas and minutes in English and Welsh and upon request in accessible formats, such as Braille, large print, and easy read; and
- through ABUHB's website, promote information on how attendees can notify the Health Board of any access needs sufficiently in advance of a proposed meeting, e.g. interpretation or translation arrangements, in accordance with legislative requirements such as the Equality Act 2010 and Welsh Language Standards 2018.

## **Withdrawal of individuals in attendance**

5.5 There may be circumstances where it would not be in the public interest to discuss a matter in public, e.g., business that relates to a confidential matter. In such cases the Chair (advised by the Director of Corporate Governance where appropriate) shall schedule these issues accordingly and require that any observers withdraw from the meeting. In doing so, the Committee shall resolve:

*That representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on*

*which would be prejudicial to the public interest in accordance with Section 1(2) Public Bodies (Admission to Meetings) Act 1960 (c.67).*

In these circumstances, when the Committee is not meeting in public session it shall operate in private session, formally reporting any decisions taken to the next meeting of the Committee in public session.

## **6. RELATIONSHIP & ACCOUNTABILITIES WITH THE BOARD AND ITS COMMITTEES/GROUPS**

6.1 Although the Board has delegated authority to the Committee for the exercise of certain functions as set out within these terms of reference, it retains overall responsibility and accountability for the audit and assurance. The Committee is directly accountable to the Board for its performance in exercising the functions set out in these terms of reference.

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

- joint planning and co-ordination of Board and Committee business;
- sharing of appropriate information; and
- appropriate escalation of concerns.

In doing so, contributing 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.

6.3 The Committee shall embed the health board's corporate standards, priorities and requirements, e.g., equality and human rights through the conduct of its business.

## **7. REPORTING AND ASSURANCE ARRANGEMENTS**

7.1 The Committee Chair shall:

- report formally, regularly and on a timely basis to the Board on the Committee’s activities. This includes verbal updates on activity, and the submission of Committee minutes and written reports;
- bring to the Board’s specific attention any significant matters under consideration by the Committee;
- ensure appropriate escalation arrangements are in place to alert the Chair of ABUHB, Chief Executive or Chairs of other relevant committees/groups of any urgent/critical matters that may affect the operation and/or reputation of the health board.

7.2 The Board may also require the Committee Chair to report upon the Committee’s activities at public meetings, e.g. Annual General Meeting, or to community partners and other stakeholders, where this is considered appropriate, e.g. where the committee’s assurance role relates to a joint or shared responsibility.

7.3 The Director of Corporate Governance, on behalf of the Board, shall oversee a process of regular and rigorous self-assessment and evaluation of the Committee’s performance and operation including that of further committees established.

7.4 The Committee shall provide a written annual report to the Board on its activities. The report will also record the results of the Committee’s self-assessment and evaluation.

## **8. APPLICABILITY OF STANDING ORDERS TO COMMITTEE BUSINESS**

The requirements for the conduct of business as set out in ABUHB’s Standing Orders are equally applicable to the operation of the Committee, except in the following areas:

- Quorum
- Issue of Committee papers

The Board and Board Committee Handbook provides detailed guidance on the conduct of the Committees business.

## **9. CHAIR'S ACTION ON URGENT MATTERS**

- 9.1 There may, occasionally, be circumstances where decisions which would normally be made by the Committee need to be taken between scheduled meetings, and it is not practicable to call a meeting of the Committee. In these circumstances, the Chair of the Committee, supported by the Director of Corporate Governance as appropriate, may deal with the matter on behalf of the Committee - after first consulting with at least two other Independent Members of the Committee. The Director of Corporate Governance must ensure that any such action is formally recorded and reported to the next meeting of the Committee for consideration and ratification.
- 9.2 Chair's action may not be taken where the Chair has a personal or business interest in the urgent matter requiring a decision.

## **10. REVIEW**

- 10 These Terms of Reference shall be reviewed annually by the Committee. The Committee Chair will report any changes to the Board for ratification.

## Appendix 3

# ANNUAL PROGRAMME OF BUSINESS 2025/26

## AUDIT, RISK & ASSURANCE COMMITTEE

This Annual Programme of Business has been developed with reference to:

- Aneurin Bevan University Health Board's Standing Orders;
- The discharge of the business needs of the individual Directorates
- The Health Board's Integrated Medium-Term Plan and related Annual Delivery Plan;
- The outcomes of the Committee self-assessment for 2024 and the Structured Assessment 2024 recommendations
- The Board's Assurance Framework and Corporate Risk Register; and
- Key statutory, national, and best practice requirements and reporting arrangements.

**Area of Focus as per Standing Orders:**

The Audit, Risk and Assurance Committee will provide assurance to the Board of the effectiveness of its arrangements for handling reservations and delegations.

The Committee has been established to enable the scrutiny and review of matters related to audit, financial accounting, assurance, and risk management, to a level of depth and detail not possible in Board meetings.

The purpose of the Committee is to support the Board and Accounting Officer by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report by:

- independently monitoring, reviewing, and reporting to the Board on the processes of governance, risk management and internal control in accordance with the standards of good governance determined for the NHS in Wales;
- advising the Board and the Accountable Officer on where, and how, its system of assurance may be strengthened and developed further;
- Maintaining an appropriate financial focus demonstrated through robust financial reporting and maintenance of sound systems of internal control; and
- Working with the other committees of the Board to provide assurance that governance and risk management arrangements are adequate and part of an embedded Board Assurance Framework that is 'fit for purpose'.

Matter to be Considered by Committee	Frequency	Responsible Lead	Scheduled Committee Dates 2025/26						
			Quarter 1			Quarter 2	Quarter 3		Quarter 4
			22 <sup>nd</sup> April 2025	20 <sup>th</sup> May Draft Accounts	24 <sup>th</sup> June Final Accounts	4 <sup>th</sup> Sept 2025	21 <sup>st</sup> Oct 2025	16 <sup>th</sup> Dec 2025	12 <sup>th</sup> Feb 2026
<b>Preliminary Matters</b>									
Attendance and Apologies	SI	Chair	√	√	√	√	√	√	√
Declarations of Interest		All Members	√	√	√	√	√	√	√
Minutes of the Previous Meeting		Chair	√	√	√	√	√	√	√
Action Log and Matters Arising		Chair	√	√	√	√	√	√	√
<b>Committee Requirements as set out in Standing Orders</b>									
Development of Committee Annual Programme of Business 2025/26	An	Chair & DofCG	√						√
Review of Committee Programme of Business	SI	Chair		√	√	√	√	√	
Annual Review of Committee Effectiveness 2024/25 to include a review of the Terms of Reference	An	Chair & DofCG	√						
Committee Annual Report 204/25	An	Chair & DofCG			√				
<b>Corporate Governance, Risk &amp; Assurance</b>									
Review and report upon the adequacy of arrangements for declaring, registering, and handling interests	An	DofCG					√	√	
Receive full report of all offers of gifts and hospitality as declared	An	DofCG	√					√	
Compliance with Ministerial Directions	BI	DofCG	√					√	
Compliance with Welsh Health Circulars (WHCs)	BI	DofCG	√					√	
Review of Standing Orders, Standing Financial Instructions, and Scheme of Delegation	An	DofCG							√

Compliance with regulatory requirements	An	DofCG							√
Audit Recommendations Tracking Report	Qu	DofCG		√		√			√
Annual Review of Risk Management Framework	An	DofCG	√						
Report on the Implementation of the Risk Management Framework	BI	DofCG					√		√
Committee Risk & Assurance Report	SI	DofCG	√		√	√	√	√	
<b>Financial Governance and Control</b>									
Report of the use of Single Tender Action	SI	DofF&P	√			√	√	√	
Report of Losses and Special Payments ( <i>May report will be included in the Accounts</i> )	BI	DofF&P		√			√		
To Approve Reviewed and Updated Financial Control Procedures	Ad hoc	DofF&P	√		√	√	√	√	
<b>Annual Report and Accounts</b>									
To consider the approach and timelines for the Annual Report and Accounts	An	DofF&P & DofCG						√	
Review the Health Board's Annual Report (Overview & Performance Section) <b>(Part 1)</b>	An	DofCG		√	√				
Review Draft/Final Accountability Report, including Annual Governance Statement <b>(Part 2)</b>	An	DofCG		√	√				
Review Draft/Final Annual Accounts and Financial Statements <b>(Part 3)</b>	An	DofF&P		√	√				
Audit Enquiries to those charged with Governance and Management	An	DofF&P		√					
Audit Wales, Audit of Accounts (ISA 260) including Letter of Representation	An	AW			√				
Final Annual Accounts Memorandum	An	AW					√		
Receive the Annual Head of Internal Audit Opinion (including Specialised)	An	HofIA			√				
Agree a recommendation to the Board in respect of the audited annual report and accounts	An	Chair			√				

<b>Counter-Fraud</b>									
Review of the Counter Fraud, Bribery and Corruption Policy ( <i>Feb 2026</i> )	<b>3-Yearly</b>	DofF&P	-	-	-	-	-	-	-
Receive the Counter Fraud Annual Report	<b>An</b>	HofCF		√					
Agree the Counter Fraud Annual Workplan	<b>An</b>	HofCF	√						
Receive a Quarterly Report on Counter Fraud Activity	<b>Quarterly</b>	HofCF				√		√	
Agree the Counter Fraud Functional Standard Return Declaration	<b>An</b>	HofCF			√				
Receive the Post Payment Verification Annual Report, including, the Annual Workplan for 2025-26	<b>An</b>	PPV Manager			√				
Receive a Mid-Year update in respect of Post-Payment Verification Activity	<b>An</b>	PPV Manager					√		
<b>Clinical Audit</b>									
Receive the Clinical Audit Activity Annual Report 2024 - 2025	<b>An</b>	Medical Director			√				
Agree the Clinical Audit Plan 2025 - 2026	<b>An</b>	Medical Director			√				
Mid-year Report on the delivery of the Clinical Audit Plan	<b>An</b>	Medical Director					√		
<b>Internal Audit (Including Specialised Audit) – NWSSP Audit &amp; Assurance Services</b>									
Agree the Internal Audit Annual Workplan	<b>An</b>	HofIA	√						
Receive Internal Audit Progress Reports	<b>SI</b>	HofIA	√	√	√	√	√	√	√
Receive Internal Audit Review Reports, reviewing the adequacy of executive & management responses to any issues identified, ensuring that they are acted upon	<b>SI</b>	HofIA	√	√	√	√	√	√	√
Review and approve Internal Audit terms of reference (charter) and the effectiveness of internal audit	<b>An</b>	HofIA with Chair		√					
<b>External Audit – Audit Wales</b>									
Receive the External Audit Annual Audit Report	<b>An</b>	AW		√					

Agree the External Audit Annual Plan	An	AW		√					
Receive the draft external auditor's opinion on the quality account	An	AW						√	
Receive the 2025 Structured Assessment	An	AW					√		
Receive External Audit Progress Report 2025-26	SI	AW	√	√	√	√	√	√	√
Review of External Audit Reports including results & the adequacy of executive & management responses to any issues identified, ensuring that they are acted upon	Ad hoc	AW							
Consider any Audit Wales National Value for Money Examinations & Performance Reports	Ad hoc	AW							
<b>Total Items Scheduled</b> (excluding preliminary items) -to be updated prior to each meeting			<b>13</b>	<b>13</b>	<b>17</b>	<b>12</b>	<b>16</b>	<b>14</b>	<b>8</b>
<b>Audit, Risk and Assurance Committee Members to meet Independently with:</b>									
External Audit Team	BI	Chair			√			√	
Internal Audit Team	BI	Chair		√			√		
Local Counter Fraud Team	BI	Chair	√			√			√

Lead Officer Key		Frequency of Inclusion Key	
<b>DofCG</b>	Director of Corporate Governance	<b>SI</b>	Standing Item
<b>DofF&amp;P</b>	Director of Finance and Procurement	<b>AN</b>	Annually
<b>HofCF</b>	Head of Counter Fraud	<b>BI</b>	Biannually
<b>PPV</b>	Post Payment Verification	<b>Quarterly</b>	Quarterly
<b>HofIA</b>	Head of Internal Audit		
<b>AW</b>	Audit Wales		
<b>Chair</b>	Chair		
<b>Schedule of Meetings Key</b>			

√	Scheduled agenda item in FWP	
√ <b>R</b>	Received at the Scheduled meeting	
<b>D</b>	Deferred from this agenda	
√ <b>D</b>	Deferred Scheduled agenda item Received	
<b>W</b>	Withdrawn from FWP	
<b>T</b>	Transferred to another Committee	
<b>IC</b>	Matter discussed In Committee	

## Appendix 4

### Attendance at 2024-25 Audit, Risk and Assurance Committee Meetings: Independent Members and Lead Executives

Meeting Dates	16 April 2024	21 May 2024	09 July 2024	12 September 2024	12 November 2024	18 February 2025
<b>MEMBERS</b>						
<b>Iwan Jones</b> (Chair)	√	√	√	√	√	√
<b>Richard Clark</b> (Vice Chair)	Apologies	√	Apologies	√	Apologies	Apologies
<b>Dafydd Vaughn</b>	√	√	√	Apologies	√	√
<b>Neil Patrick</b>	Not yet a member of the committee	√	√	√	√	√
<b>OFFICERS</b>						
<b>Chief Executive</b>	√	Apologies	√	√	Apologies	Apologies
<b>Director of Finance &amp; Procurement</b>	√	√	√	√	√	√
<b>Director of Corporate Governance</b>	√	√	√	√	√	Apologies (Representative attended)