

## AUDIT, RISK AND ASSURANCE COMMITTEE HIGHLIGHT REPORT TO BOARD

This report provides the Board with key escalation and discussion points at the last Committee meeting. A full list of items discussed appears at the end of the report to enable members to raise any questions to the Chair which have not been drawn out in the report. The papers for these meetings can be found by following this [link](#) to the Committee page on the Trust website.

<b>Trust Board Meeting Date</b>	29 May 2025
<b>Committee Meeting Date</b>	1 May 2025
<b>Chair</b>	Peter Curran

### KEY ESCALATION AND DISCUSSION POINTS

#### ALERT

(Alert the Board to areas of attention)

1. The board will note that this first of five ARAC meetings in 2025/26 is dedicated to governance issues, particularly the annual committee effectiveness reviews, the self-assessment against the Corporate Governance Code and registers related to the Standards of Business Conduct Policy. For this reason, some of the usual standing items are not presented.

#### ADVISE

(Detail any areas of on-going monitoring, approvals, or new developments to be communicated)

2. A **pre-meet** was held with Audit Wales, Internal Audit and the committee Chair ahead of the meeting.
3. The **Audit Wales** progress report and Audit Plan for 2025/26 were received. Materiality with respect to the **audit of the financial accounts** is set at 1% of gross expenditure, with lower materiality for areas deemed more important to the users of the accounts, such as remuneration of senior officers and related party disclosures. Risks identified during planning include the risk of management override, which is a mandated risk included in all audit plans. Specific risks for the Trust include property, plant, and equipment and intangible assets. The audit will begin on 7 May following receipt of the accounts on 2 May. The deadline for completing the audit has been moved forward two weeks this year, with the audited accounts presented to the board on 26 June and the Auditor General scheduled to sign off the accounts on 27 June. There are no significant issues to highlight to the board at this stage.

The **performance audit** update included the review of urgent emergency care, which is currently in clearance. Fieldwork is due to begin on the review of digital systems to support transformation, with the project brief now issued and agreed. The 2025 structured assessment associated deep dive on managing estates and local review of non-emergency patient transport service will begin later in the

year.

The audit fee has been slightly increased this year due to the potential for additional work around property, plant, and equipment and intangible assets.

4. Members **reflected** that the particular focus on the annual board and committee effectiveness review demonstrated the substantial, excellent work delivered by the Board Secretary and the wider Corporate Governance Directorate. The outputs of this provided significant assurance to the committee of the effectiveness of the current board and committee arrangements. Members commented on the positive, constructive and collaborative nature of the meeting.

## ASSURE

(Detail here any areas of assurance the Committee has received)

5. The **Annual committee effectiveness reviews for 2024/25** were received. This committee approved its annual report and terms of reference following discussion on its effectiveness in March.

The board will receive a report on the effectiveness of its committees (and its own effectiveness) at its 29 May meeting, as well as all committee annual reports and terms of reference for approval, however the following key issues were discussed by members of ARAC:

- The extensive reviews of terms of reference, assurance reporting, and operating arrangements across all seven committees provided an all-encompassing view of the areas of oversight and scrutiny that is delegated by the board. ARAC is of the view that this is an appropriate spread for WAST's size and complexity.
- All committees are effective in the way in which they operate, noting that they all met as scheduled, were quorate for each meeting, delivered extensively and diligently on their delegated responsibilities, and have reflected on changes that would make them more effective and add value.
- In addition to the Chair of this committee, Chairs of the Finance and Performance Committee, QUEST Committee, Charity Committee and People and Culture Committees were in attendance to present their annual reports and provide their views on the process and outputs of the reviews. All welcomed the shift in terms of reference to a more strategic overview.
- Further work will take place in Q1 and Q2 on the opportunities that arise in the Academic Partnerships Committee reaching its natural crossroads. This includes a fresh look at the spread across committees in an attempt to affect material change to frequency and volume, and to address areas of concern related to quoracy resilience. The core group of ARAC NEDs, Executive Director of Finance and Corporate Resources (committee lead) and Director of Corporate Governance/Board Secretary will be the sounding board for this work and the outputs will come back in September.

ARAC thanked the Corporate Governance Team, Chairs and all members of committees for their engagement in this important work. Audit Wales and Internal Audit also commended the transparent approach and thoroughness of the reviews.



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6. The committee received assurance that the Trust is complying with all elements of the **Corporate Governance Code 2017** as stated in the corporate Annual Report that will come to the board in June. There are no elements currently showing an 'explain' rating.
7. The Internal Audit progress report was received and members noted that turnaround times both for internal audit and the Trust are Amber. The 111 Wales Website audit is the only audit that is at risk of not being completed for 2024/25 due to temporary capacity issues with Internal Audit, however this will not affect the ability of the Head of Internal Audit to provide an overall end of year opinion.

The following Internal Audit reviews were completed during the quarter and presented to the Committee. Members reviewed the action plans that accompanied the audits and were assured they were appropriate and timely:

- **Risk Management and Board Assurance Framework – Reasonable Assurance.** The purpose of this review was to assess the effectiveness of the procedures for identification, management and reporting of strategic and key operational risk through the Board Assurance Framework and the Corporate Risk Register. The key finding is that the current BAF (essentially the Corporate Risk Register, but in more detail and linked to the IMTP) will develop in 2025 into a strategic BAF that will focus more explicitly on its strategic objectives. Notwithstanding this concern, the reporting of the current key risks in the BAF through the Board and its Committees is working effectively. Findings have not been raised with respect to the strategic BAF and risk appetite as the oversight of these programmes of work sit with this committee.

All six objectives in the audit were rated 'reasonable assurance' with the only matter requiring management attention being the need to ensure risk management documentation is updated to reflect the changes in approach that are envisaged over the coming months.

- **Occupational Health and Wellbeing Support – Reasonable Assurance.** The purpose of this review was to evaluate the programmes in place at the Trust to improve the Occupational Health and Wellbeing services and promote staff wellbeing, and arrangements in place to monitor effectiveness.

Despite efforts to achieve a 6% sickness absence target, the Trust's rates remain higher than NHS England Ambulance Services, with recent figures showing an 8% sickness rate compared to NHS England's 6.5% (however there was caution proposed by ARAC given England's different operating context). There has historically been a low uptake of support services, including management of referrals to Occupational Health and Wellbeing provision. The implementation of the Health and Wellbeing Plan approved in November 2024 as well as the occupational health and wellbeing referral system, permitting both self-referrals and manager referrals, aim to improve the timeliness of the support provided.

All four objectives in the audit were rated 'reasonable assurance' and there were four medium priority management actions raised. These included the need for detailed deliverables in the Health & Wellbeing Plan, enhanced performance reporting, improved reporting to assess the quality and impact of initiatives, and regular feedback from managers on attendance management



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training sessions. A verbal update confirmed actions due by the end of Q4 had been completed.

Members noted the importance of addressing musculoskeletal issues, particularly for staff in sedentary roles, and the need for leadership and management to encourage physical breaks. Additional assurance was provided on proactive measures, including increased physiotherapy referrals and improved performance for referral to first contact.

The People and Culture Committee has an oversight of the audit actions and will receive this report at its May meeting. Next steps include continued focus on proactive health and wellbeing measures and regular updates to that committee on metrics and deep dives into absence management and occupational health usage.

- **Speaking Up Safely – Reasonable Assurance.** The purpose was to review the implementation of the framework and assess its impact in promoting a culture that enables staff to raise concerns.

The NHS Wales Speaking Up Safely (SUS) Framework (WHC/2023/036) highlights the importance of fostering a culture where individuals can raise concerns without fear of victimisation or detrimental treatment. The Trust has implemented several measures to support this, including the appointment of a lead Guardian and the use of the Work in Confidence (WIC) platform to record and manage concerns. Following high-profile cases, the Welsh Government has mandated NHS organisations to undertake self-assessments against the framework and develop action plans to address any gaps. The Trust has completed its self-assessment and is working on an action plan to ensure compliance and continuous improvement – this will come into the People and Culture Committee for oversight.

Three objectives in the audit were rated 'reasonable assurance' and one (review and analysis of recurring themes and trends) was rated 'limited assurance'. There were five medium, and one high priority management action raised. Those actions include developing an action plan to address gaps identified in the self-assessment, consistently issuing surveys post-closure of SUS cases to gather feedback, enhancing training for staff to embed the framework's requirements, and triangulating concerns data from all sources for effective oversight. It was agreed that recommendation 6, an annual speaking up safely report to this committee, was not required as the ARAC responsibility for ensuring arrangements for 'whistleblowing' were in place and effective is discharged with an annual assurance report to that effect from the Chair of People and Culture Committee.

The committee discussed the challenges of auditing cultural impact and noted significant progress in this area which, for several reasons including confidentiality and the qualitative nature of information, was difficult to capture and audit. It was recognised that the Trust has made progress in addressing concerns and taking proactive action in problematic areas, noting also that there has been an increase in the NHS staff survey related to colleagues feeling able to raise concerns. The People and Culture Committee has an oversight of the audit actions and will receive this report at its May meeting.

8. The annual reports on **board members' interests and the gifts and hospitality register** were received. The registers will now be made publicly available on the Trust website. The increase in



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reporting gifts and hospitality requests was noted. This importance of transparency, especially with suppliers, and the efforts to improve communication around gifts, hospitality, secondary employment, and sponsorship was recognised.

### RISK MANAGEMENT

Members approved the 2025/26 risk reporting schedule which had been aligned to the board and committee cycle.

### COMMITTEE AGENDA FOR MEETING IN JUNE

Committee effectiveness reviews for 2024/25	Internal Audit Progress Report and the audit reports listed above	Audit Wales progress report and Audit Plan for 2025/26
Self-assessment against the Governance Code 2017	Annual Report on Board Member Register of Interests 2024/25 Gifts, Hospitality & Sponsorship Register 2024/25	Risk reporting schedule 2025/26

### COMMITTEE ATTENDANCE

Name	1 May 2025 <sup>1</sup>	24 Jun 2025	2 Sep 2025	2 Dec 2025	2 Mar 2026	
Peter Curran						
Ceri Jackson						
Rhiannon Beaumont-Wood						
Chris Turley						
Audit Wales	Fflur Jones					
Julie Boalch						
Judith Bryce	Jon Sweet					
Christian Fox						
Carl Kneeshaw						
Osian Lloyd						
Trish Mills						
Liam Williams						
Carl Window						
Damon Turner						

	Attended
	Deputy attended
	Apologies received
	No longer member

<sup>1</sup> The chairs of the Finance and Performance Committee (Jayne Beeslee) and QUEST (Bethan Evans) were in attendance for the committee effectiveness reviews