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.

Trust Board Meeting Date	30 July 2026
Committee Meeting Date	23 June 2026
Chair	Peter Curran

KEY ESCALATION AND DISCUSSION POINTS

ALERT (Alert the Board to areas of attention)

2025/26 annual report and audited accounts

1. The Committee reviewed and endorsed the 2025/26 Annual Report and Audited Financial Accounts. Audit Wales presented the ISA 260 report, confirming a very positive audit outcome, including an unqualified audit opinion and no uncorrected misstatements. Any identified issues were minor disclosure amendments only and had no impact on the reported position. Audit Wales confirmed the high quality of the financial statements and commended the team for their engagement. Members also noted the strong and constructive working relationship between Audit Wales and the finance team, contributing to a smooth and effective audit process.

2. The Annual Report had been reviewed by the board in draft form prior to the meeting and had also been reviewed by Audit Wales and Welsh Government, with only minor amendments required for consistency.

3. The Committee commended the teams for the significant work involved in the preparation and review of the 2025/26 Annual Report and Accounts.

4. The Committee recommended the Annual Report and Audited Financial Accounts to the board for approval. These were approved at an extraordinary Trust Board meeting on 25 June 2026, with the committee Chair providing a verbal update of ARAC's endorsement.

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

5. A **pre-meeting** was held with Audit Wales, Internal Audit and the committee Chair ahead of the meeting.

6. The committee noted a very positive committee meeting overall, **reflecting** strong assurance across internal control, financial management and governance arrangements. Members highlighted the high standard of work evident throughout, while emphasising the importance of maintaining momentum

and avoiding complacency as the organisation continues to evolve. The meeting provided an opportunity to formally recognise key contributions:

- The committee recorded its sincere thanks to Jill Gill, Head of Financial Accounting, for her significant contribution over many years, particularly her leadership and expertise in relation to the annual accounts. Members wished Jill every success and happiness in her retirement.

- The committee also noted that this was the final meeting for Carl Kneeshaw, Director of People, recording its appreciation for his valued contributions and service, and wishing him well in his future role.

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

7. The Committee received an **update from Audit Wales** on current and planned work, noting that the digital systems deep dive and the non-emergency patient transport review are expected to report in September. Future work includes estates management, the structured assessment and a review of the 111 service, due later in the year. Members noted the forward timetable and welcomed the opportunity to consider more detailed briefings in advance of forthcoming reports where appropriate. The update also drew attention to recent Audit Wales national publications on urgent and emergency care and planned care, which provide useful context on system pressures.

8. **The Head of Internal Audit Opinion and Annual Report 2025/26** was received by the committee and will be presented at the extraordinary meeting of the board on 25 June 2026. The overall opinion is one of reasonable assurance, meaning that the board can take reasonable assurance that governance, risk management, and internal control arrangements are suitably designed, operating and applied effectively.

   The audit plan for 2025/26 is largely complete, with two audits unable to make the deadline for this meeting. These will be circulated promptly for virtual approval to enable timely closure of the plan. The committee commended the excellent programme of audit reports and the fact that there were no limited or unsatisfactory assurance findings in year with two substantial assurance audits received. Members welcomed the positive performance indicators demonstrating timeliness of delivery and management response times.

9. The following internal audit reviews were received and discussed:

   (a) **Follow up review – reasonable assurance**. The committee noted strong overall progress in the implementation of audit recommendations, supported by effective governance and tracking arrangements. Performance compares favourably with the All Wales position, with a high proportion of recommendations closed. Members welcomed the revised approach to follow-up, which has enabled earlier oversight and course correction through the year, and improvements in the clarity and quality of supporting evidence. The introduction of enhanced digital tracking arrangements was also noted as a positive development, supporting greater transparency and efficiency.

   (b) **Clinical Prioritisation and Assessment Software (CPAS) Group: governance and change management – reasonable assurance**. The committee noted that governance structures are

well established and operating effectively, with strong controls in place prior to implementation of system changes. However, a key area for improvement was identified around post-implementation monitoring, with reliance on informal feedback rather than a more structured approach to assure that changes are embedded and delivering as intended. Members recognised the context of significantly increased system changes, driven by the Clinical Model Transformation programme and ongoing service demands, which heightens the importance of strengthening oversight arrangements. The Quality, Patient Experience and Safety Committee will review this audit at their next meeting.

(c) **Vehicle replacement programme – reasonable assurance**. The committee recognised the vehicle replacement programme as a well-established and mature area with strong governance, clear strategy and effective financial oversight. Members noted that delivery against the plan was largely on track, with almost all planned vehicles procured and the programme operating within agreed budgets and timescales. The discussion emphasised the scale and complexity of the programme, with a significant increase in activity and investment in recent years. This context was seen as important, with management highlighting that, given the maturity of the arrangements, a positive assurance outcome would have been expected.

A small number of medium-priority findings were identified, primarily relating to documentation and aspects of performance reporting. These were accepted by management and considered straightforward to address. The Finance and Performance Committee will review this audit at their July meeting.

(d) **Data management practices/devolved data – reasonable assurance**. The committee noted a limited assurance finding for one objective, reflecting weaknesses in consistency and oversight of data practices across the organisation. Discussion focused on two key themes highlighted by management. Firstly, the current decentralised analytics model has been outgrown, with strong local capability in place but increasing need to move towards a more co-ordinated enterprise data model. Secondly, the importance of establishing a single source of truth, with consistent data standards, definitions and reporting to reduce variation in interpretation and improve confidence in outputs.

The committee noted plans to address these issues, including the development of data standards, a data dictionary, and training, alongside the establishment of a community of practice to bring together analysts across the organisation. This will act as a precursor to a more formalised enterprise approach. Members sought assurance on cyber security risks and were reassured that all data products sit within the Trust's controlled Microsoft 365 environment, with no exposure from unauthorised tools. The risks identified relate to data consistency and interpretation, rather than cyber vulnerabilities. The Finance and Performance Committee will review this audit at their July meeting.

(e) **Fire safety – reasonable assurance**. The committee received a reasonable assurance report, noting significant improvements from previous audits and strengthened governance, training and compliance arrangements. Discussion highlighted the scale and complexity of the estate, with circa 117 sites across the organisation. Members recognised that this breadth inherently increases risk, but also requires a proportionate approach, given the varied nature of sites, ranging from

larger operational bases to smaller, often unoccupied stations.

It was noted that risk is mitigated in part by the limited public and patient presence on most sites, although the importance of maintaining robust controls was emphasised. The key area for further improvement relates to local operational compliance, ensuring that policies and procedures are consistently implemented across all locations. The Finance and Performance Committee will review this audit at their July meeting.

(f) **High risk records – reasonable assurance**. The committee received a reasonable assurance report, noting a number of control weaknesses, including reliance on manual processes, inconsistent documentation and gaps in governance and oversight, particularly around timely review of records. Management acknowledged the findings and outlined a clear improvement plan, centered on three key actions: updating the policy, strengthening governance and reporting arrangements, and introducing a new digital app.

The Committee discussed the app as a significant development, designed to replace paper-based processes, improve data quality and ensure completeness by requiring mandatory fields and audit trails. It will also support better monitoring, reporting and compliance with policy requirements. Members were reassured that the app has been tested and is expected to substantially strengthen controls and efficiency. The importance of ensuring appropriate digital and information governance oversight was highlighted, including alignment with wider data and system architecture to avoid unintended risks. The Finance and Performance Committee will review this audit at their July meeting.

10. The **losses and special payments report** received describing the 2025/26 outturn and early 2026/27 position with no issues raised.

11. The **integrated governance framework** was presented, setting out how accountability, governance structures, and assurance processes align with the Board Assurance Framework to provide a coherent assurance system. Members noted that, for the first time, the framework codifies how external accountabilities flow through the organisation and return as assurance to the board. The two-three year programme has received early validation from the Good Governance Institute review, confirming strong foundations with no requirement for major structural change. The Chair emphasised the importance of ensuring the model is robust, enduring, and able to withstand leadership changes, becoming embedded as an organisational standard. The committee's role was reinforced to maintain oversight of the effectiveness of integrated governance arrangements and the organisation's ability to derive assurance from them.

12. ARAC agreed to streamline **audit reporting**, reflecting improved organisational maturity. Oversight of actions will sit with relevant committees, with ARAC receiving risk-based, strategic reports focused on high-priority issues, delays, exceptions and limited assurance findings. Future reports will include clearer narratives, dashboards and thematic insights to highlight trends while reducing reporting burden.

13. In private session:

(a) The **Local Counter Fraud Service** 2025/26 Annual Report and work plan was approved, noting a balanced approach between proactive and reactive activity, increasing staff engagement, and

stable investigation volumes despite rising contact levels. The flexible, standards-compliant work plan focuses on emerging risks such as duplicitous working, remote working and asset management fraud, and will be monitored through aligned progress reporting. Members also discussed emerging risks, particularly around timesheet fraud and secondary employment in corporate roles, highlighting system and oversight challenges; while robust policies are in place, further audit work, improved manager awareness, and potential enhancements to electronic recording arrangements were identified to strengthen controls.

(b) The Committee noted routine **tender activity** and agreed that single tender waivers were appropriately used for sole suppliers, highlighting the need for more proactive, strategic oversight of such procurements, where appropriate.

RISKS

14. The committee noted the increase of two principal risk scores for Risk 223 to 25 (5x5) and Risk 139 to 12 (3x4).

15. Members supported the direction of travel for the 2026/27 risk programme, recognising the significant step change in strategic risk maturity with a focus on operationalising risk appetite through defined tolerances, alignment of risks to strategic objectives, and decision-relevant reporting linked to the implementation of a strategic Board Assurance Framework and supporting board dashboard.

16. Members acknowledged the complexity and scale of the work required to design and develop Electronic Risk Management and its integration with the BAF.

17. The committee noted the structured and phased delivery approach, including testing through the ELT and ARAC sub-group over the summer, a focused session at Committee in September, Board development in October, and any approvals by the Board in December 2026.

18. In private session it was noted that cyber and online symptom checker risks remain high, with robust controls in place and governance oversight through ELT. While cyber risk remains elevated due to the external threat environment, progress on a new symptom checker solution is expected to enable reassessment and potential closure.

COMMITTEE AGENDA		
2025/26 annual accounts and annual report	Head of internal audit opinion and annual report 2025/26; internal audit reviews as listed above	Audit Wales update
Risk management and board assurance framework update	Audit tracker Q4 update	Losses and special payments
Integrated governance programme update	ARAC AAA April meeting	All Wales Audit Committee Chairs update

COMMITTEE ATTENDANCE					
Name	**28 April 26**	**23 June 26[1]**	**3 September 26**	**3 December 26**	**4 March 27**
Peter Curran					
Dr Umar Ahmed					
Ceri Jackson		Hayley Hutchings			
Julie Boalch					
Judith Bryce					
Christian Fox		Hugh Parry			
Wendy Herbert					
Fflur Jones		Yvonne Thomas[2]			
Carl Kneeshaw		Liz Rogers			
Osian Lloyd					
Trish Mills					
Jonny Sammut					
Chris Turley					
Damon Turner					
Carl Window					

	Attended
	Deputy attended
	Apologies received
	No longer member

[1] Rachel Marsh, Deputy CEO attended for this meeting for items 1-7
[2] For annual report and audited accounts, ISA 260 and Audit Wales update items