

Audit and Risk Assurance Committee Minutes **25th June 2025** **Llais Boardroom, Crown Buildings, Cathays Park /** **Microsoft Teams**

Members

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| Karen Lewis | Chair of the Committee |
| Jason Smith | Non-Executive member |
| John Baker | Independent member |
| Anthony Pritchard | Independent member |

Attendees

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| Alyson Thomas | Chief Executive |
| Joanne Bolton | Strategic Director of Operations & Corporate Services |
| Richard Bevan | Board Secretary |
| Katie Holliday | Director of Finance |
| Paul Dalton | Head of Internal Audit |
| David Williams | Audit Wales |
| Andrea Calise | Audit and Assurance Services, NWSSP |
| Ben Eaton | Strategic Director of Organisational Strategy & Engagement (part meeting) |
| Lucy Kirkman-Kovacs | Information Governance and GDPR officer (minute taker) |

Apologies

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| Jack Evershed | Non-Executive member |
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Welcome and introductions, declarations of interest, apologies

- 1.1 The Chair started the meeting by extending a formal welcome to all members and attendees.
- 1.2 Apologies were received from Jack Evershed.
- 1.3 Members were reminded of their obligation to declare any new interests that may have arisen since the previous meeting.

Minutes and actions and decisions of the last meeting

- 2.1 The committee reviewed the minutes of the ARAC meeting, which was held on 5 March 2025. It was noted that there were no formal minutes for the meeting held on 4 June 2025 as this was an informal session.
- 2.2 Committee members sought clarification regarding the reference to the Cyber Essentials accreditation mentioned within the minutes of the meeting on 5 March 2025. The Board Secretary confirmed that the wording had been reviewed and revised to reflect the Committee's previous feedback and assurance requirements.
- 2.3 Reflecting the above clarification, the Committee approved the minutes of the meeting as accurate records of proceeding.

Action and decisions of the last meeting

- 3.1 The Board Secretary provided an update on the status of open actions and decisions recorded in the Committee's action log. It was reported that 10 actions were registered, of which 8 were completed. The committee approved the closure of the 8 completed actions. 2 actions remained outstanding:
 - An additional assurance session on IT and Cyber Security postponed due to a Senedd Health and Social Care Committee Scrutiny session was being rescheduled to the 1 August 2025.
 - An action from December 2024 regarding complaints advocacy reporting, now deemed superseded by developments led by the advocacy lead and changes to NHS complaint systems. The committee agreed that the action had been superseded and could be taken off the log. The committee agreed to close this second item and include a forward note to return to the topic at the appropriate point in 2025/2026.
- 3.2 An additional query was raised regarding Action 11: seeking clearance for individuals to be named in minutes. The Board

Secretary agreed to follow up this action to ensure it was fully completed and it would remain on the log in the interim.

- 3.3 The Chair thanked the Board Secretary for the detailed update and acknowledged the concerted effort undertaken by both the executive team and Committee members in progressing outstanding items.

A25-06-01 - Action log item 11 - Follow-up clarifying the action taken and ensure that it had been completed as planned. **Action:** Board Secretary.

Items for discussion, assurance and information
To receive the Internal Audit Services update report, including completed audits

- 4.1 The Head of Internal Audit gave an overview of 3 completed internal audit reports, which completed the planned audits for the 2024/2025 internal audit plan.
- 4.2 **Information Governance audit:** Reasonable assurance provided. The key findings included the need for a formal information requests policy to build on the guidance and publication scheme already in place, improved training compliance (limited by challenges) with the ESR system, and further reporting to the committee.
- 4.3 **Finance audit:** Substantial assurance provided. The audit covered budgetary controls and accounts payable. No recommendations were identified. The committee welcomed this strong outcome and commended the finance team.
- 4.4 **Performance Management audit:** Reasonable assurance was given for this audit. 2 medium-priority recommendations:
- A need for a documented performance management framework.
 - Formalised training for the use of the Objectives and Key Results (OKR) system.

- 4.5 The Strategic Director of Organisational Strategy and Engagement confirmed the findings on the performance report were fair and would be addressed and supported by the newly appointed Head of Insights and Engagement.
- 4.6 A Committee Member asked whether the 'reasonable' assurance rating assigned to Information Governance indicated any significant immediate risks to organisational compliance.
- 4.7 The Head of Internal Audit clarified that whilst the rating did not imply high risk, it identified opportunities for strengthening data management protocols and documentation standards, which senior management had already committed to addressing.
- 4.8 The Chair thanked the Head of Internal Audit colleagues for their thorough presentation and expressed the Committee's satisfaction that all planned audits had been completed in line within the approved schedule.
- 4.9 It was acknowledged that the work of internal audit was very important as a key element of the foundation for the organisation's assurance arrangements, the committee's reporting to the Board and public reporting through the Annual Governance Statement.

Head of Internal Audit Opinion

- 5.1 The Head of Internal Audit introduced the Head of Internal Audit Annual Opinion for 2024/2025 and also the proposed Internal Audit Plan 2025/2026.
- 5.2 The Head of Internal Audit Opinion provided overall reasonable assurance on the adequacy and effectiveness of the organisation's internal control environment. The report acknowledged positive working relationships and recognised Llais was a developing organisation. The Interim Board Secretary requested the use of the agreed text for inclusion in the Annual Governance Statement.

- 5.3 The Head of Internal Audit confirmed the use of the text of the opinion for the Annual Report. The Board Secretary confirmed that the opinion would be added to the document.

A25-06-02 – Include agreed text from Annual Audit Opinion in Annual Governance Statement. **Action:** Board Secretary.

Internal Audit Plan 2025/2026

- 6.1 The 2025/26 Internal Audit Plan was also presented, and it was explained that the plan had been developed in liaison with the executive team and that the Audit and Risk Assurance Committee has been consulted.
- 6.2 4 audits were proposed, including a cyber audit. Members questioned the timing and scope, given ongoing external cyber assurance work and the red-rated cyber risk. It was agreed that timing was appropriate given capacity and sequencing with the external cyber assurance. The session with external consultants would inform further scoping of the internal audit.
- 6.3 Performance metrics for internal audit were also discussed. The committee approved revising the internal audit report management response completion deadline from 5 to 10 working days.
- 6.4 A committee member sought clarification regarding the plan's flexibility to accommodate emerging or unforeseen risks.
- 6.5 The Head of Internal Audit confirmed that the plan retained contingency capacity and the audit team would continue to liaise with the executive team to adjust priorities, as required.
- 6.6 The committee discussed which committee should lead scrutiny of the forthcoming 'Values, Culture and Wellbeing of Staff' audit. It was confirmed by the Board Secretary that this would fall within the remit of the Workforce, Remuneration and Terms of Service Committee (WRTSC), with a cross-reference to Audit Risk and Assurance Committee, where appropriate.
- 6.7 The committee formally approved the Internal Audit Plan for 2025/26 and welcomed the Head of Internal Audit Opinion and

noted that it would be included in the Llais Annual Report via the Annual Governance Statement.

Audit recommendations tracker update

- 7.1 The Board Secretary presented the audit recommendations tracker. 30 actions have been completed and 8 remained. The executive team had requested that 3 actions be considered as superseded by more recent audit activity (information governance and performance management). It was confirmed by internal audit that this would be appropriate.
- 7.2 5 recommendations remained open:
1. **Information Asset Register** – updated following Information Governance specialist’s work, for executive approval in July.
 2. **IT Security Policy** - links to cyber and information asset assurance.
 3. **Records Management** - tied to data retention and GDPR work.
 4. **Digital and Data Strategy** - draft complete, under internal review.
 5. **People Strategy** - requires redrafting; previous draft no longer fit-for-purpose due to organisational change.
- 7.3 It was confirmed that resources have been committed to progress this work. The committee raised concerns about long-standing overdue actions, and requested revised, realistic target dates. It was agreed that the executive team would review dates, and Audit and Assurance Services would support a revised template to improve visibility and clarity of progress reporting, where appropriate.
- 7.4 A non-executive member recommended enhancing the accompanying cover paper to provide further details regarding the rationale for any action extensions, progress context, and impact on assurance. It was agreed that this would be completed for the next report to the committee, if required.

A25-06-03 - Review and update target dates for long-standing overdue audit actions and complete the actions where possible.

Action: Strategic Director of Operations & Corporate Services.

A25-06-04 - Support revised template for clearer audit tracker progress reporting as required. **Action:** Board Secretary / Internal Audit.

A25-06-05 - Enhance cover papers to provide rationale for action extensions and context. **Action:** Board Secretary.

Audit Wales – Committee update report and Audit plan for 2025

8.1 The representative from Audit Wales presented 2 papers:

- An update report for information, which was noted by the committee.
- The 2024/25 Financial Audit Plan for the Annual Report and Accounts work: materiality levels and audit risks were outlined. The main risks related to potential management override. 4 areas of focus were identified, including related parties, right-of-use assets, provisions, and remuneration disclosures.

8.2 Audit work would begin in mid-July and run through August, with draft accounts to the committee in September. Sign-off was anticipated in October or early November, pending board availability. The Board Secretary was proposing a revised board meeting date.

A25-06-06 - Propose a revised board meeting date for audit sign-off in October or early November 2025. **Action:** Board Secretary.

Draft Annual Report and Accounts

9.1 The Board Secretary presented the draft Annual Report and Accounts, building on the informal session held on 4 June 2025. He thanked committee members for their feedback and noted that changes had been incorporated.

- 9.2 The report and financial statements were to be submitted to Audit Wales on the 7 July 2025 and the draft Annual Report on the 14 July 2025. Final elements, including forewords from the Chair of Llais and the Chief Executive, the Head of Internal Audit Opinion, glossary, and index, would be completed shortly. The Chief Executive would perform final checks as Accounting Officer before submission. The audit process would then commence.
- 9.3 The Committee would reconvene at the end of September 2025 to consider the audited version in order to recommend it to the Board. The board approval meeting initially scheduled for the 22 October 2025 might be rescheduled due to availability constraints. The interim Board Secretary confirmed a revised date would be proposed shortly.
- 9.4 The Head of Finance had no additional comments on the financial statement and accounts.
- 9.5 A non-executive member's written comments were read into the record by the Board Secretary. Points raised included:
- Clarification of the performance analysis section.
 - Corrections to Cwm Taf Morgannwg examples and representation explanations.
 - A suggestion to add a positive concluding statement to the complaints section.
 - Clarification on consultation examples following a recent court case.
- 9.6 Comments and questions from members included the following.
- 9.7 An Independent member queried the accuracy of a statement on cyber essentials on page 54. Board Secretary agreed to rephrase it for clarity.
- 9.8 An Independent member raised formatting concerns in tables on pages 50 - 60, specifically around pension benefits and banding.

The Director of Finance confirmed the format aligned with guidance.

- 9.9 An Independent member questioned dual reporting of staffing costs in the remuneration report and financial statements. The Director of Finance confirmed this will be presented in the financial statements only.
- 9.10 An Independent member requested a reconciliation between net liabilities and budget to aid lay readers. The Director of Finance agreed to explore a brief explanatory note.
- 9.11 The Chair noted impact statements were missing from the complaints section and recommended adding positive outcomes or case studies. Chief Executive and Interim Board Secretary agreed.
- 9.12 The Chair commented that a diagram on page 7 regarding reporting lines could be made clearer with directional arrows. The Board Secretary agreed to look at this and make changes, where possible.
- 9.13 On Page 11 - there were mismatched content and titles. The Board Secretary would check with Strategic Director of Organisational Strategy and Engagement.
- 9.14 On page 22 - regional breakdown inconsistencies were identified.
- 9.15 On page 40 - 'Directors' Report' heading was queried in relation to using that term; it was confirmed to be a standard requirement of the guidance.
- 9.16 A non-executive member raised that on page 13; the West Wales section ran into a national view without a new heading.
- 9.17 The Chair confirmed understanding that a separate Impact Report will be produced for public engagement.
- 9.18 The Chair thanked all those involved in the production of the documentation.

A25-06-07 – Link with colleagues to make the necessary amendments to the draft document. **Action:** Board Secretary.

Judicial Review outcome

- 10.1 The Chief Executive reported on a recent judicial review concerning the Emergency Medical Retrieval and Transfer Service (EMRTS) service change. The case tested whether the Joint Commissioning Committee had given due regard to representations made under the Health and Social Care (Quality and Engagement) (Wales) Act. The judge concluded that due regard had been given, and the judicial review was not upheld.
- 10.2 The Chief Executive confirmed that the organisation was not a main party to the judicial review, although was listed as an interested party. The judgement had served to validate the organisation's role in making representations and following up to make sure they were properly considered.

Corporate risk report

- 11.1 The Board Secretary presented the revised risk report, now with narrative content, as requested. He reported that a new Governance and Risk Manager had been appointed, pending final checks. Updates were provided on alignment of risk reporting with the OKR framework and future dashboard integration. Risk dashboards would be deployed by August, enabling reporting to the Board in September.
- 11.2 The absent non-executive member's written comments were noted, highlighting the improved accessibility of the narrative format and encouraging the inclusion of risk appetite considerations. The Board Secretary confirmed future reports would combine narrative and dashboard formats and include risk appetite.
- 11.3 Committee discussion included:
- A non-executive member queried regional engagement staffing and capacity levels. It was confirmed that new regional Head of

Engagement and Advocacy roles were confirmed and being rolled out.

- A non-executive member suggested tracking escalations for assurance. The Board Secretary agreed to look at this in line with the Risk Management Strategy and the Board Assurance Framework.
- An Independent member welcomed the improved risk report as a positive development.

11.4 The Chair noted media risks and public expectations that required enhanced monitoring. The Chief Executive confirmed proactive communications would continue, especially regarding media stories relating to Llais.

A25-06-08 – Develop the enhancements to the report as suggested in line with the development of the dashboard. **Action:** Board Secretary.

To receive the finance update report to the end of May 2025

- 12.1 The Director of Finance summarised key points of the Finance Report. These included the following.
- 12.2 Awaiting the 2025/26 budget allocation letter from Welsh Government.
- 12.3 Teams were now building budgets based on work programme needs to improve ownership and flexibility.
- 12.4 Internal budget monitoring processes have been streamlined.
- 12.5 Dashboards were under development. However, there continued to be Oracle data access issues due to NHS system separation.
- 12.6 The Medium-term financial plan was in development, considering cost pressures and future scenarios.
- 12.7 The contingency balance had been adjusted from £276,000 to £46,000 following recent budget realignments.

12.8 A review of acceptable contingency levels was planned with the Strategic Director of Operations & Corporate Services.

12.9 The committee noted the report.

A25-06-09 - Review and agree acceptable contingency levels with the Strategic Director of Operations & Corporate Services. **Action:** The Director of Finance.

To receive for assurance; Feedback, concerns & complaints, Gifts & hospitality update, Declarations of Interest update

13.1 The Board Secretary presented the regular update report. No items required immediate action. Declarations of Interest processes were continuing to be embedded in induction packs.

13.2 A non-executive member requested clarification on when receipt of health/social care services should be declared. The Chief Executive and Chair reiterated that declarations should be made if a conflict arises in relation to agenda decisions, particularly where personal involvement with a service could be perceived as a conflict. The Board Secretary confirmed that a review was underway with the policy and guidance and would check if any enhancements were required.

A25-06-10 – Clarify guidance as required on the declaration of receipt of health and social care services as part of the review of the standards of business conduct policy. **Action:** Board Secretary.

To discuss the forward work programme 2025/2026 and receive Committee Effectiveness review report

14.1 The Board Secretary presented the outcomes of the committee's effectiveness review session on 7 May. Members agreed the summary and action plan were accurate. The Board Secretary would incorporate these actions into the committee's formal forward work programme and circulate for final approval at the September meeting.

A25-06-11 - Incorporate actions from effectiveness review into forward work programme and circulate for approval in September 2025. **Action:** Board Secretary.

Any other urgent business

15.1 The Chief Executive noted for the record in relation to the earlier regular report paper on complaints and feedback that this was the first report to include positive feedback from individuals as well as complaints. This illustrated the impact the organisation has on those it supports, particularly through complaints advocacy. Members welcomed the inclusion.

Date of next meeting

- **10 September 2025, 13:00pm**
Llais Boardroom, Crown Buildings, Cathays Park / Microsoft Teams
- **30 September 2025, time to be confirmed - Additional meeting to review audit outcomes and final Annual Report and Accounts.**
Llais Boardroom, Crown Buildings, Cathays Park / Microsoft Teams

Meeting concluded at 16:30.