Health Board Key Issues Report (this report should be a maximum of 2 sides of A4 paper)				
Board Date		26/11/2026		
Date of Committee		20/10/2026	**Report of:**	Audit, Risk and Assurance Committee
Quoracy met:		Yes		
1	Agenda	The Audit, Risk and Assurance Committee continues to meet bi-monthly. The Committee considered an agenda which can be accessed: Audit Committee - BCUHB		
1	Agenda	The Audit, Risk and Assurance Committee continues to meet bi-monthly. The Committee considered the published agenda and supporting papers.		
2a	Alert	The Audit, Risk and Assurance Committee wish to alert members of the Board of: • The overall compliance assurance position remains limited. A substantial number of internal audit recommendations remain open or overdue, including limited and unsatisfactory assurance actions, and overdue policies include those with patient safety implications. • Internal Audit reported limited assurance for Health and Safety and Foundations of the Future. For Foundations of the Future, concerns included an unapproved programme initiation document, incomplete scope, costs, milestones and measurable benefits, reliance on existing staff, and insufficiently formal reporting and oversight. • Audit Wales reported continuing deterioration against the suspected cancer pathway target and no single integrated, costed cancer plan. Workforce, infrastructure, equipment and service fragility continue to affect performance. • Audit Wales identified significant estates risks, including an estimated £278m maintenance backlog, £109m categorised as high risk, more than 3,000 outstanding fire risk assessment actions, fragmented oversight and incomplete estates information. • Procurement reported 85 retrospective file notes in 2025/26, totalling £5.4m of expenditure processed without prior procurement influence, alongside resource pressures arising from commissioning, capital and medical equipment work. • Internal Audit highlighted that a former executive account remained active after the postholder left the role and was used to progress requisitions without an approved delegation. The matter was escalated and the account stopped; further assurance is required on the control response and whether wider practice is affected.		

2b	Assurance	The Audit, Risk and Assurance Committee wish to assure members of the Board that • Fifty-six internal audit recommendations had completed the Health Board closure process and were presented for closure, with relevant Executive Committee and Internal Audit follow-up checks undertaken. • Policy compliance is improving and patient safety-related policies are being prioritised, although the backlog means assurance remains limited. • Cyber security received substantial assurance, with effective arrangements for managing cyber security and resilience risks and one recommendation to strengthen documented senior accountability and assurance routes. • Post-payment verification activity has largely caught up on outstanding routine and revisit work, with learning and improvement shared with contractors as well as recovery action. • Requests to waive Standing Financial Instructions have reduced substantially from the 2022/23 peak and procurement performance against most all-Wales key performance indicators remains positive. • Counter Fraud delivery continues to progress, supported by good uptake of e-learning. • A learning repository is live with early adopter services. The Committee welcomed the focus on sharing organisational learning and requested a future practical demonstration.
2c	Advise	The Audit, Risk and Assurance Committee wish to advise members of the Board: • Foundations of the Future now requires urgent Board-level consideration of programme direction, governance, resources, milestones, benefits and reporting. The Committee recommended that the matter be brought to the next appropriate Board session. • The zero-based budgeting action should remain open. A timetable and proposed approach, including whether elements can inform the 2027/28 budget round, should return to the next Audit, Risk and Assurance Committee, with oversight through the Performance and Finance Committee. • Limited and unsatisfactory audit recommendations should be grouped by responsible committee, with clear executive ownership, prioritisation and realistic delivery dates so that committees can provide assurance on progress and slippage. • The Decision-Making and Prioritisation Framework should be amended for delegation limits and reserved matters, supported by a concise user guide,

		implementation plan, evaluation and incorporation into leadership development. People and Culture Committee should oversee the training element and report back within six months. • The refreshed Risk Management Framework should make clearer the requirement for risk reduction/de-escalation plans and show the Audit, Risk and Assurance Committee's overarching assurance role. • Cancer, estates and other major programmes require integrated, costed plans aligned to the IMTP, clinical services planning and available workforce and capital resources.
2d	Review of Risks	• The Committee reviewed the updated Risk Management Framework and revised risk appetite arrangements, and endorsed them subject to strengthening the description of risk reduction/de-escalation plans and the Audit, Risk and Assurance Committee's assurance role. • Risks relating to audit recommendation delivery, patient safety policy compliance, major change programme governance, cancer performance, estates condition and fire safety require continued monitoring through the responsible Board committees. • The Committee emphasised that escalation must be accompanied by clear ownership, actions, resources, milestones and an explicit decision where risk must be tolerated.
2e	Sharing of learning	• Major change programmes need approved programme documentation, defined scope, cost, milestones, benefits, resourcing and formal written reporting from the outset. • Audit action closure must evidence effectiveness and impact, not only completion of activity; committee oversight should focus particularly on limited and unsatisfactory assurance findings. • Retrospective procurement activity should trigger targeted training and strengthened accountability, with repeat non-compliance escalated appropriately. • Governance frameworks must be made usable through concise guidance, practical examples, leadership development and subsequent evaluation. • Organisational learning should be captured once, shared across services and linked to evidence of changed practice and improved outcomes.
3	Actions to be considered by the Board or other Committees	• **Board**: receive an urgent update on Foundations of the Future, including programme direction, governance, resources, milestones, benefits and reporting arrangements.

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		• **Performance and Finance Committee**: oversee zero-based budgeting, procurement/file-note controls, capital and business case capacity, and relevant audit recommendations; provide assurance on prioritisation and delivery. • **People and Culture Committee**: oversee Health and Safety improvements and leadership/management training linked to the Decision-Making and Prioritisation Framework; report Health and Safety assurance back to Audit Committee following its December meeting. • **Quality, Safety and Experience Committee**: oversee patient safety-related policy compliance, commissioned services quality and safety, cancer improvement actions, and assurance arising from the Ombudsman Public Interest Report. • **Planning, Public Health and Partnerships Committee**: oversee Audit Wales estates recommendations, including the estates strategy, condition survey, fire safety actions, information systems and workforce planning. • **Audit**, **Risk and Assurance Committee**: receive the community equipment procurement lessons learned and SRO assurance in private at the next meeting; receive an update on the former executive system account and any wider control actions; and schedule a demonstration of the learning repository.