

Betsi Cadwaladr University Health Board (BCUHB)
Confirmed minutes of the Audit Committee
held on 18 August 2026
in the Boardroom, Carlton Court, St Asaph and via Teams

Name	Title
Committee Members Present	
Paul Lambert	Independent Member (Chair of Audit Committee)
Urtha Felda	Independent Member
Dyfed Jones	Independent Member (via Teams)
Rhian Watcyn Jones	Independent Member (via Teams)
In Attendance	
Russell Caldicott	Executive Director of Finance
Simon Cookson	Director Audit and Assurance, NHS Wales Shared Services Partnerships (NWSSP)
Glesni Driver	Head of Statutory Compliance & Inquiries
Dyfed Edwards	Health Board Chair (via Teams – part meeting)
Debbie Eyitayo	Executive Director People Services and Organisational Development (via Teams – part meeting)
Dave Harries	Head of Internal Audit, NWSSP
Fflur Jones	Performance Audit Lead, Audit Wales
Nicola Jones	Deputy Head of Internal Audit, NWSSP
Stuart Keen	Director of Environment and Estates (via Teams – part meeting)
Martyn Lewis	Auditor, NWSSP (via Teams – part meeting)
Michelle Phoenix	Financial Audit Manager, Audit Wales
Denise Roberts	Head of Capital, Compliance and Business Intelligence - Finance (via Teams – part meeting)
Carol Shillabeer	Chief Executive (part meeting)
Paul Stocker	Audit Manager, NWSSP (part meeting)
Danielle Timmins	Head of Local Counter Fraud
Pam Wenger	Director Corporate Governance
Observers	
Dr Pamela Johnston	Well Led Review Advisor (part meeting)
Peter Milne	Member of the Public (by invitation via Teams)
David Graves	Member of the Public (part meeting via Teams)
Committee Support	
Philippa Peake Jones	Head of Corporate Governance
Diane Davies	Corporate Governance Manager (via Teams)

PRELIMINARY MATTERS

AC26.72 Welcome and apologies

The Committee noted that Dr Pamela Johnston was attending as an observer in her role as Well Led Review Advisor for the first hour of the meeting. The Committee also noted members of the public observing remotely.



Apologies were received from Huw Richards, Internal Audit and Teresa Owen, Deputy Chief Executive and Executive Director of Allied Health Professionals and Health Sciences.

The Chair reminded attendees that the Committee continued to play a critical role in strengthening governance, assurance and accountability across the organisation, particularly as it evolved towards a broader Audit, Risk and Assurance Committee function.

The Committee noted the attendance and apologies.

AC26.73 Declarations of Interest

The Committee Chair advised that in respect of item AC26.88, he had been a member of Bangor University Council from 2016 until July 2026 however, he had stood down fully from all responsibilities. Until December 2026, he would remain ProChancellor but not as a Council Member. Additionally, for the latter period whilst he was Council Member, he was Chair of the University's Audit, Risk and Assurance Committee (ARAC). He advised that the subject of item AC26.88 was a substantive item considered by ARAC after he had been appointed as an Independent Member of BCUHB, he had therefore recused himself and the Deputy Chair of Bangor University ARAC chaired that particular item.

AC26.74 To approve the unconfirmed minutes of the previous meetings held on 21.4.26 and 23.6.26

The minutes of the meetings held on 21 April 2026 and 23 June 2026 were approved as a true and accurate record. It was noted that whilst the committee was supportive of using 'co-pilot' to support the recording of accurate minutes, it was important that it was used as a tool to support the team and that more attention to be paid to the drafting.

It was resolved that the Committee

- **APPROVED** the unconfirmed minutes of the meetings held in public on 21.4.26 and 23.6.26.

AC26.75 Summary action log

Members received the action log and agreed to close the actions as detailed. In considering the action log, it was agreed to include an additional action as detailed below:

- *Provide assurance regarding 21.4.26 meeting item : Internal Audit plan 2026-2027, bullet point 3 on page 6 regarding zero-based budgeting readiness and the shift towards primary and community care & partnership working, which had been identified within the 21.4.26 minutes.*

It was resolved that the Committee

- **AGREED** updates provided to the summary action log

GOVERNANCE, RISK AND ASSURANCE

AC26.76 Update on Outstanding Audit Recommendations - Director of Corporate Governance



The Committee received the report and noted progress in addressing outstanding Internal Audit and Structured Assessment recommendations. In doing so, the Committee:

- Noted that substantial work had been undertaken over the previous twelve months to strengthen governance arrangements and address historical recommendations.
- Noted that the Learning and Regulatory Reporting audit had identified weaknesses in organisational learning arrangements, which had informed the establishment of a Governance Regulatory Group jointly chaired by the Director of Corporate Governance and the Executive Medical Director.
- Noted that the improvements implemented through this programme had strengthened organisational learning processes and contributed to the de-escalation of the associated corporate risk.
- Noted ongoing progress in implementing the Executive Committee Governance recommendations.
- Noted that completion of a number of actions remained dependent on wider work relating to the Scheme of Reservation and Delegation and the future Executive Committee operating arrangements.

In discussing the report, the Committee:

- Noted that whilst improvements had been made in relation to Standards of Business Conduct compared to previous years, significant challenges remained, particularly regarding compliance with Declarations of Interest requirements and the recording of Gifts and Hospitality.
- Sought assurance regarding how the effectiveness of completed audit recommendations was assessed. The Committee was advised that closure evidence was reviewed and validated before recommendations were formally closed, with Limited and Unsatisfactory Assurance recommendations remaining subject to follow-up audit activity and future effectiveness testing.
- Highlighted the need for a risk-based approach to monitoring Declarations of Interest compliance, particularly amongst individuals with delegated authority for financial decision-making, and noted that greater visibility of compliance levels within these higher-risk groups would strengthen assurance.
- Acknowledged the significant volume of historical audit recommendations inherited by the organisation and the challenge of securing sustainable improvement whilst continuing to respond to new recommendations.
- Noted the key risks associated with incomplete declarations of interest, weaknesses in Gifts and Hospitality controls, and the potential for control failures where recommendations were not fully embedded.
- Received assurance that recommendations continued to be actively monitored, that closure evidence was subject to scrutiny and validation, that Internal Audit follow-up arrangements remained in place, and that Executive accountability for implementing recommendations was continuing to strengthen.

The following action was agreed:

- **AC26.76.01** Director of Corporate Governance to provide a report to the October meeting regarding compliance with Declarations of Interest requirements, including compliance within staff groups holding delegated financial authority.

It was resolved that the Committee

- **NOTED** the report, received assurance regarding the arrangements for validating and monitoring the implementation of audit recommendations, and requested further assurance on compliance with Declarations of Interest and Gifts and Hospitality requirements within higher-risk staff groups.

AC26.77 Corporate Risk Register Report

The Committee received the Corporate Risk Register report and noted the position previously considered by the Board in July 2026.

In discussing the report, the Committee:

- Noted the refreshed reporting format, which had been developed to improve transparency regarding risk ownership, assurance arrangements and risk oversight, together with the work undertaken to strengthen consistency in risk management processes across the organisation.
- Noted that a number of corporate risks remained above Board-approved risk appetite levels and that these continued to be subject to regular scrutiny through Executive Committee, Board Committees and supporting governance structures.
- Received assurance regarding the operation of the escalation process set out within the Risk Management Framework, including the role of the Risk Scrutiny Group.
- Reflected that, whilst arrangements for the identification, assessment and reporting of risks had matured, greater emphasis was now required on delivering measurable risk reduction.
- Noted concern that several risk profiles had remained static for a prolonged period and agreed that risks operating above Board appetite should be supported by clear improvement programmes, delivery plans and measurable milestones demonstrating progress towards risk reduction.
- Discussed the need for future reporting to provide greater assurance regarding the effectiveness and impact of actions implemented following escalation decisions.
- Noted that the Committee Chair and the Director of Corporate Governance were considering how best to support Executive Leads in reducing risks assessed as being above Board appetite.

The Committee recognised the risks associated with corporate risks remaining above appetite without a clear reduction trajectory, limited visibility of the effectiveness of escalation arrangements, an overreliance on risk monitoring rather than mitigation, and potential disconnects between operational and corporate risk management.

The following action was agreed:

- **AC26.77.01** Director of Corporate Governance to bring forward proposals to strengthen oversight and reporting of risks above Board appetite, aligned to IMTP delivery.

It was resolved that the Committee

- **NOTED** the report and the ongoing oversight of risks operating above Board-approved risk appetite.

- **RECEIVED ASSURANCE** that governance arrangements and recent improvements to the Corporate Risk Register framework supported effective corporate risk management and reporting.

AC26.78 Board Assurance Framework 2026/27

The Committee received the report:

- Pam Wenger presented the refreshed Board Assurance Framework and outlined the work undertaken to align it with the Board's revised Strategic Objectives and approved Integrated Medium-Term Plan.

In discussing the item, the Committee:

- Welcomed the clearer line of sight between strategic objectives, principal risks, controls and sources of assurance, noting that further refinement of individual components would continue through the Committee cycle prior to consideration by the Board.
- Noted concerns that, whilst the framework evidenced organisational activity and progress against agreed actions, there was less emphasis on demonstrating organisational impact, measurable outcomes, realised benefits and improvements experienced by patients, service users and communities.
- Recognised that Committee reports frequently provided assurance regarding activity, compliance and process delivery, but less often demonstrated whether the intended outcomes and benefits had been achieved.
- Emphasised the importance of strengthening outcome measures and benefit realisation arrangements to support a more comprehensive assessment of progress against strategic objectives and the impact of improvement activity.
- Noted that demonstrating impact and benefit realisation was an increasing focus both locally and nationally, and that these themes would be explored further through the Board Development Programme with the Good Governance Institute and future Structured Assessment work.
- Acknowledged that, whilst the revised Board Assurance Framework represented a significant improvement and provided a more mature basis for strategic assurance, further development was required to strengthen assurance relating to outcomes, benefits realisation and delivery of strategic objectives.

The following actions were agreed:

- **AC26.78.01** Director of Corporate Governance to reflect the Committee's observations regarding outcomes and benefits realisation when presenting the Board Assurance Framework to Board.
- **AC26.78.02** Director of Corporate Governance to share the updated Structured Assessment brief when received from Audit Wales

It was resolved that the Committee

- **NOTED** the emerging assurance position and identified assurance gaps.



- **ENDORSED** the actions required to complete validation of Risks 26/04 and 26/05.
- **SUPPORTED** further development of assurance reporting arrangement

AC26.79 Corporate Governance Report

The Committee received the report.

In discussing the item, the Committee:

- Noted the positive outcomes of the Committee Self-Assessment for 2025/26 whilst recognising opportunities to further strengthen assurance, risk oversight and strategic scrutiny.
- Considered the proposed revisions to the Committee's Terms of Reference, including the proposal to rename the Committee as the **Audit, Risk and Assurance Committee**.
- Noted that similar developments were taking place across NHS Wales and that the proposed changes more accurately reflected the Committee's responsibilities for risk management, assurance and governance oversight.
- Acknowledged that the proposed expansion of the Committee's remit would increase the volume and breadth of work considered by the Committee.
- Agreed that the proposed changes represented an appropriate evolution of the Committee's role and would support a more comprehensive approach to assurance and oversight.
- Emphasised the importance of maintaining strategic focus and ensuring that the Committee's work complemented, rather than duplicated, the responsibilities of other Board Committees and governance forums.
- Noted progress against the Corporate Governance Improvement Plan and the continued development of the Committee's governance and assurance arrangements.
- Supported the proposed Committee Cycle of Business for 2026/27 and endorsed the revised Terms of Reference, including the proposed change of name, for onward consideration by the Board.

Members resolved that the Committee

- **NOTED** the report
- **NOTED** the outcome of the Committee Self-Assessment 2025/26.
- **APPROVED** submission of the revised Terms of Reference to the Board, noting the proposed change of name to the Audit, *Risk and Assurance* Committee.
- **APPROVED** the Committee Annual Report 2025/26 for submission to the Board.
- **APPROVED** the Committee Cycle of Business 2026/27.
- **NOTED** progress against the Corporate Governance Improvement Plan
- **AGREED ACTION:**
- **AC26.79.01** Outcomes from the Committee Self-Assessment to be reviewed within a future Committee Development Session.

AC26.80 Integrated Compliance and Assurance Report



The Committee received the report.

In discussing the item, the Committee:

- Welcomed the redesigned report and the greater emphasis on assurance, noting that the revised approach provided a clearer assessment of the organisation's overall compliance position and areas requiring further improvement.
- Recognised the significant progress made during the preceding twelve months in strengthening compliance systems, governance arrangements and oversight mechanisms, whilst acknowledging that a number of areas continued to require focused management attention.
- Noted the progress made in reducing historic recommendations and strengthening accountability for delivery, whilst recognising ongoing challenges relating to the timeliness of implementation and evidencing full compliance.
- Supported the introduction of Director Accountability Statements as a means of strengthening ownership of compliance responsibilities and enhancing the system of internal control.
- Acknowledged the significant progress achieved in reducing the number of overdue policies but noted that policy compliance remained an important area of governance risk, particularly where policies related to patient safety, statutory obligations or regulatory requirements.
- Noted the establishment of the Governance and Regulatory Group to oversee a risk-based approach to Welsh Health Circulars and Ministerial Directions and recognised that further work was required to strengthen evidence gathering and assurance arrangements.
- Discussed concerns regarding historic Ministerial Directions and agreed that there would be value in considering how older Directions could be reviewed as part of future compliance work. Members noted that Internal Audit would shortly commence a review of Ministerial Directions, including consideration of historical requirements.
- Noted that compliance reporting would continue to be presented through relevant Board Committees to provide additional oversight and scrutiny.
- Welcomed the clarity of the report but highlighted the importance of ensuring that the status of outstanding Unsatisfactory and Limited Assurance recommendations remained current and clearly reflected revised implementation timescales and progress achieved.
- Emphasised the need to re-baseline long-standing audit recommendations where appropriate to ensure realistic delivery expectations and meaningful performance monitoring.
- Noted that accountability for implementation rested with responsible Directors and that established escalation arrangements existed for overdue recommendations.
- Considered the relationship between compliance activity and benefits realisation and welcomed ongoing work to develop a formal benefits realisation framework to strengthen future assurance reporting.
- Recognised that the organisation had made substantial progress in strengthening compliance arrangements but agreed that assurance relating to implementation, evidence, timeliness, sustainability and embedded learning should remain key areas of focus during the coming year.



- Highlighted risks associated with non-compliance with Ministerial Directions and regulatory requirements, governance and patient safety vulnerabilities arising from overdue policies, and the potential failure to fully embed lessons identified through audits and reviews across the organisation.

The following Actions were agreed:

- **AC26.80.01** Director of Corporate Governance to provide the October Audit Committee with an updated position statement on all open Unsatisfactory Assurance and Limited Assurance recommendations, including revised completion dates and progress achieved.
- **AC26.80.02** A prioritised report on overdue policies, highlighting those with patient safety, statutory or regulatory implications, to be presented to a future meeting.
- **AC26.80.03** Governance and Regulatory Group to consider arrangements for reviewing historic Ministerial Directions and identifying any significant outstanding compliance requirements.

It was resolved that the Committee

- **NOTED** the report and current statutory compliance assurance position.
- **RECEIVED** assurance regarding the actions being taken to strengthen compliance and governance arrangements.
- **APPROVED** the closure of audit recommendations identified within Appendix 1.

Dr Pamela Johnston left the meeting

AC26.81 Governance and Accountability Framework – Amendments

The Committee received the report noting that the review had been undertaken following recent executive changes and to address issues identified through the operation of the Scheme.

In discussing the item, the Committee:

- Noted that the majority of amendments sought to improve clarity, consistency and operational effectiveness rather than alter existing decision-making authorities.
- Recognised that the proposed changes would support more efficient decision-making, provide greater clarity for officers exercising delegated authority and reduce unnecessary operational delays.
- Noted that the proposed amendments had been considered and supported by the Executive Team.
- Highlighted the importance of ensuring that expenditure or projects could not be artificially divided to circumvent approval thresholds and sought assurance that appropriate safeguards were in place.
- Agreed that the Scheme should continue to contain clear provisions preventing the inappropriate splitting of expenditure or projects to avoid approval and escalation requirements.
- Noted a minor drafting amendment relating to Chief Executive delegated limits and agreed that the wording should be amended to reflect approval levels "up to but not including" Board approval thresholds.
- Concluded that the revised Scheme would strengthen governance arrangements and support the consistent application of delegated authority across the organisation.

- Supported the proposed amendments to the Scheme of Reservation and Delegation, subject to the agreed drafting amendment, for onward consideration by the Board.

The following actions were agreed:

- AC26.81.01** Director of Corporate Governance to incorporate the Committee's observations regarding approval thresholds and addressing cost splitting to avoid thresholds being surpassed prior to Board submission.

It was resolved that the Committee

- APPROVED** the proposed changes to the Scheme of Reservation and Delegation for onward submission to Board subject to amendments as agreed in the actions

AC26.82 Committee Assurance report - Alert, Assurance and Advice reports

In discussing the item, the Committee:

- Welcomed the introduction of the Committee Assurance Report and recognised its role in strengthening assurance flows between Board Committees, the Audit Committee and the Board.
- Noted that the report provided a consolidated overview of assurances, concerns and key themes arising from Board Committees and supported a more coherent assessment of the organisation's overall assurance position.
- Recognised the recurring themes emerging from Committee discussions, including risk management and risk reduction, delivery of transformation and improvement programmes, workforce capacity and resilience, governance effectiveness, and benefits realisation.
- Reaffirmed that the Committee's role was not to duplicate the work of other Board Committees but to assess whether assurances provided were robust, interconnected and sufficient to support Board assurance.
- Discussed the extent to which current governance arrangements provided visibility of assurance activity across Committees and noted the importance of strengthening integration and assurance flows across the governance framework.
- Noted concerns regarding variation in the quality and consistency of Alert, Assurance and Advice (AAA) reporting and welcomed the development of guidance to support a more standardised approach across Board Committees.
- Considered the alignment of Committee meeting schedules and recognised the importance of ensuring that Audit Committee meetings were appropriately timed to receive and consider assurance from other Board Committees prior to Board meetings.
- Acknowledged that the report represented an important development in the organisation's assurance arrangements and agreed that the format and content should continue to evolve in response to Committee feedback and organisational learning.
- Considered the level of assurance the Committee was able to provide to the Board and **approved** the proposed Assurance Statement for inclusion within Board reporting

The following actions were agreed:

- **AC26.82.01** Director of Corporate Governance to develop and implement a standardised AAA reporting framework across Board Committees.
- **AC26.82.02** Committee calendars to be reviewed to strengthen assurance flows into Audit Committee and Board.

It was resolved that the Committee

- **NOTED** the thematic review of Board Committee AAA reports.
- **CONSIDERED** the level of assurance it was able to provide to Board.
- **APPROVED** the proposed Assurance Statement for reporting to Board.

AC26.83 Financial Conformance Report

The Committee received the Financial Conformance Report and considered the Health Board's performance against key financial governance indicators. In discussing the report, the Committee:

- Noted performance in relation to No Purchase Order, No Pay compliance, Single Tender Actions, debtor management, payroll overpayments, Public Sector Payment Policy compliance, and Losses and Special Payments.
- Noted that the number of invoices processed without purchase orders had reduced compared to previous years but expressed concern regarding the increase in exceptional "file note" approvals and the need for further scrutiny of these arrangements.
- Received assurance that debtor balances remained recoverable and that appropriate provisions had been established within the accounts.
- Discussed trends relating to clinical negligence and Losses and Special Payments, recognising the value of reporting that provided greater insight into underlying causes, service areas and lessons learned to support organisational learning and committee scrutiny.
- Noted the commitment to share the Legal Services report presented to the Quality, Safety and Experience Committee with members for information.
- Discussed workforce overpayments and procurement compliance, highlighting the importance of training, accountability and management oversight in reducing avoidable exceptions.
- Noted the importance of continuing to promote procurement compliance and awareness amongst budget holders and managers.
- Received assurance that financial control arrangements remained broadly effective, payroll overpayment numbers were reducing, debtor recovery processes remained active and Public Sector Payment Policy performance remained strong.

The following Actions were agreed:

- **AC26.83.01** The Executive Finance Director to undertake further analysis of file-note expenditure and provide an update to the next Committee.
- **AC26.83.02** Future reports to include additional information regarding trends and contributory factors associated with clinical negligence and special payments.
- **AC26.83.03** Director of Corporate Governance to share Legal Services report to QSE Committee with members for information.

It was resolved that the **Committee**

- **NOTED** and **APPROVED** the Financial Conformance Report.

AC26.84 Item deferred

INTERNAL AUDIT

AC26.85 Internal Audit Progress Report

The Committee received the Internal Audit Progress Report covering activity undertaken between April and July 2026. In discussing the report, the Committee:

- Noted progress against the approved Internal Audit Plan and approved amendments to planned audit work, including the deferral of the Research and Development Review and the revision of the Culture Review to an advisory review.
- Considered the findings arising from completed audits and advisory reviews, including a number of Limited and Unsatisfactory Assurance opinions.
- Expressed particular concern regarding the Non-Digital, Data and Technology (DDaT) Controlled IT review, noting weaknesses in the governance, ownership and management of software and digital systems operating outside formal DDaT arrangements.
- Recognised the cyber security, information governance and operational risks associated with unmanaged digital applications and requested realistic timescales for delivery of improvement actions.
- Discussed the Unsatisfactory Assurance opinion relating to the Nuclear Medicine Consolidation Project and noted the significant risks associated with affordability, governance arrangements, delays and approval processes.
- Noted that oversight of the Nuclear Medicine Consolidation Project would continue through the Performance, Finance and Information Governance Committee.
- Discussed the Capital Governance Arrangements Review and noted recurring governance themes identified in previous reviews, particularly in relation to programme governance, business case development, benefits realisation and organisational learning.
- Acknowledged concerns regarding the organisation's ability to embed learning from previous audits and reviews and avoid the repetition of historic governance weaknesses.
- Noted the Chief Executive's comments regarding the importance of strengthening capital governance arrangements in light of the organisation's future capital investment and service transformation ambitions.
- Noted the Head of Internal Audit's view that he did not currently have sufficient confidence in capital governance arrangements going forward.
- Received assurance that improvement plans were in place, implementation would be overseen through relevant Board Committees and further governance review work was being progressed.
- Noted that the Capital Governance Arrangements Review would be considered further by the Executive Committee. Following consideration at the Performance, Finance and Information Governance Committee (PFIGC) an assurance update would be provided to a future meeting of the Audit Committee.

The following Actions were agreed:



- **AC26.85.01** PFIGC to receive and scrutinise recovery plans relating to Nuclear Medicine Consolidation and Capital Governance Arrangements.
- **AC26.85.02** Director of Corporate Governance would liaise with the Acting Director DDaT to consider further whether dates set out in the Non-DDaT IT review were realistic and achievable.
- **AC26.85.03** Assurance update on the Capital Governance Arrangements Review to be discussed further at a future meeting.

It was resolved that the Committee:

- **NOTED** the report and the progress against the Internal Audit Plan.
- **APPROVED** the proposed amendments to planned audit work.
- **RECEIVED ASSURANCE** that improvement plans and governance oversight arrangements were in place in response to identified audit findings.
- **REQUESTED** a further update on Capital Governance Arrangements and progress against actions arising from the Non-DDaT Controlled IT and Nuclear Medicine Consolidation Project reviews.
- **APPROVED** amendments to the Internal Audit Plan.

Martyn Lewis, Paul Stocker and Stuart Keen left the meeting

This agenda item was taken out of sequence in order to accommodate operational availability of the Chief Executive

AC26.88 Centre for Mental Health and Society Internal Advisory Review and Wider Research, Development and Innovation Review

The Committee received the report regarding the review of the Health Board's historic relationship with the Centre for Mental Health and Society (CfMHS). In discussing the report, the Committee:

- Noted that the item had been brought forward following correspondence received from a member of the public who had raised concerns regarding the Health Board's historic relationship with CfMHS and had requested that previous correspondence be brought to the Committee's attention.
- Received a report from the Chief Executive, who advised that she had personally committed to reviewing the matter following discussions with the individual concerned and was presenting her conclusions in her capacity as Accountable Officer.
- Noted that concerns regarding the relationship with CfMHS had been raised several months previously and had been subject to extensive correspondence, investigation and review before the matter was brought to the Committee.
- Heard that, following difficulties securing a suitably independent external reviewer, Internal Audit had been commissioned to undertake the review due to its detailed organisational knowledge and ability to examine historical arrangements and available documentary evidence.
- Noted that, whilst some records relating to arrangements established during the early years of the Health Board were no longer available, sufficient evidence had been identified to enable informed conclusions to be reached.
- Considered the Chief Executive's view that the findings should not be viewed in isolation, but rather within the context of wider historical governance challenges

experienced by the organisation, including issues relating to procurement, contract management, governance, assurance and Research, Development and Innovation (RD&I) arrangements.

- Noted that the period under review coincided with a time when Mental Health services faced significant operational and governance challenges and recognised the importance of considering the historical context within which the arrangements had operated.
- Heard that Mental Health services were now subject to ongoing scrutiny and improvement oversight through established Board and Committee arrangements and that lessons arising from the review formed part of a broader programme of organisational learning and continuous improvement.
- Discussed the importance of research activity to healthcare improvement and noted the Chief Executive's view that Research, Development and Innovation formed a fundamental component of a high-performing healthcare organisation.
- Noted that partnerships with universities and research institutions were important to supporting innovation, service development and improved patient outcomes and should continue to be actively encouraged.
- Recognised that the principal issue arising from the review was not whether research partnerships should exist, but whether the governance, accountability and assurance arrangements surrounding those partnerships had been sufficiently robust.
- Noted that the review had identified a number of recurring governance themes, including honorary contract arrangements, declarations of interest, partnership governance, financial approval processes and arrangements where individuals worked across organisational boundaries.
- Heard that improvements had already been made across a number of these areas in recent years but that further strengthening of governance arrangements would continue as part of wider organisational improvement work.
- Received assurance that broader concerns relating to RD&I governance had already been identified by the Executive Medical Director and that a wider review of RD&I governance had been commissioned.
- Noted that findings arising from the CfMHS review would be incorporated into the wider RD&I review to ensure that lessons learned were reflected in future arrangements.
- Heard that the wider review would consider how partnerships are established, governed, monitored and assured, with the objective of strengthening accountability and oversight whilst continuing to support innovation and research activity.
- Discussed concerns raised regarding the use of public funds and received assurance that specialist advice had been sought from NHS Counter Fraud Services as part of the review process.
- Noted that Counter Fraud advice had been considered alongside Internal Audit findings and wider governance evidence before conclusions were reached.
- Received assurance from the Chief Executive that, having considered all available evidence and specialist advice, she was satisfied that there was no evidence of misappropriation of public funds associated with the arrangements under review.
- Supported the conclusion that this aspect of the matter could now be considered closed.

- Noted Rhian Watcyn Jones' observation that individual concerns often act as a catalyst for identifying wider systemic weaknesses and opportunities to strengthen organisational governance arrangements.
- Agreed that the review had highlighted broader governance lessons beyond the specific circumstances of the CfMHS arrangements.
- Heard from the Director of Corporate Governance that the matter had been particularly complex and sensitive and had taken longer than anticipated to conclude.
- Noted that significant efforts had been made to secure an independent reviewer before Internal Audit was commissioned and received assurance that appropriate due diligence had been undertaken throughout the process.
- Received assurance that draft Internal Audit findings had initially been reviewed by Counter Fraud Services and that, following changes in leadership arrangements within Counter Fraud, a further review had subsequently been undertaken by the Head of Counter Fraud Services Wales.
- Noted that the concerns and findings had therefore been subjected to scrutiny and challenge through more than one independent review process.
- Noted the Director of Corporate Governance's thanks to Internal Audit colleagues, Counter Fraud Services and governance staff for their support and professionalism throughout what had been a prolonged and sensitive review.
- Acknowledged the observation that investigations of this nature can have a significant impact on individuals and agreed on the importance of conducting such work with fairness, professionalism and compassion.
- Noted comments made by the Board Chair, who reflected that the issue represented one of a number of legacy matters inherited by the organisation and highlighted the importance of recognising the contribution made by the member of the public in raising the concerns.
- Agreed that the investigation demonstrated that concerns raised externally could be appropriately considered and addressed through established governance arrangements.
- Noted the Board Chair's view that research and innovation should remain a strategic priority for the Health Board and that opportunities arising through partnerships with Bangor University, Wrexham University and other research and innovation partners should continue to be developed.
- Discussed the potential benefit of providing the Board and Committees with greater visibility of the organisation's wider research agenda, partnerships and programmes.
- Noted the Board Chair's observation that governance weaknesses established at the outset of arrangements can persist for many years if not addressed promptly and that the review reinforced the importance of strong governance, accountability and assurance arrangements from the commencement of any partnership or programme.
- Agreed that external scrutiny can provide valuable challenge and organisational learning and welcomed the opportunity to use the findings from the review to strengthen future governance arrangements.
- Welcomed the intention to address the remaining governance themes identified through the review as part of the wider review of Research and Development governance.

The following Actions was agreed:



- **AC26.88.01** that the resulting improvement plan from the wider R&D review is reported back through the appropriate governance route, with clear ownership, milestones, target dates and residual risk assessment.

It was resolved the Committee:

- **NOTED** the Chief Executive's assessment of the findings arising from the Internal Audit Advisory Review of the Centre for Mental Health and Society (CfMHS), including the governance, financial control, value for money and assurance issues identified.
- **NOTED** the management actions completed or underway, including financial reconciliation, strengthened invoice approval controls, declarations of interest compliance work, honorary contract review arrangements and the review of the Academic Partnership Board Terms of Reference.
- **ACKNOWLEDGED** that a number of management actions are dependent on the wider Review of Research and Development (R&D) Governance, which has now been commissioned and will include CfMHS as a specific line of enquiry.
- **RECEIVED ASSURANCE** that interim controls remain in place pending completion of the wider review, including controls relating to invoice approval, duplicate funding checks, declarations of interest, honorary contracts and future contractual and partnership arrangements.

AC26.86 External Audit Progress Report

The Committee received the Audit Wales Update Report. In discussing the report, the Committee:

- Noted that the 2025/26 Financial Statements Audit had been completed.
- Noted progress in the ongoing reviews of Cancer Services and the Management of Estates.
- Noted that work had commenced on the Foundations for the Future and Primary Care follow-up reviews.
- Received an update on planning for Structured Assessment 2026 and noted that the scope continued to evolve.
- Noted the expectation that Structured Assessment 2026 would place greater emphasis on benefit realisation and organisational impact.
- Received assurance that the Audit Wales programme remained on schedule and that planned work was progressing as expected.

It was resolved that the Committee:

- **NOTED** the Audit Wales Update Report and the progress of the Audit Wales work programme.
- **RECEIVED ASSURANCE** that the Audit Wales programme remained on schedule and that planning for Structured Assessment 2026 was progressing.

COUNTER FRAUD

AC26.87 Local Counter Fraud Service Progress Report



Danielle Timmins, Head of Local Counter Fraud, presented the report outlining delivery against the Counter Fraud Work Plan.

In discussing the report, the Committee:

- Noted progress against the Counter Fraud Workplan for 2026/27 and the breadth of activity undertaken to support fraud prevention, investigation and awareness across the organisation.
- Discussed how the impact and effectiveness of Counter Fraud activity could be demonstrated more clearly through future reporting.
- Noted Rhian Watcyn Jones' observation that whilst the report reflected significant activity, greater emphasis on organisational outcomes, financial benefits, cost avoidance and lessons learned would strengthen assurance.
- Received clarification that measuring the impact of preventative activity remained challenging, particularly where losses had been avoided rather than recovered, although work was underway to develop methodologies for quantifying the value of fraud prevention interventions and wider awareness activity.
- Welcomed the proposal for Counter Fraud reporting to become a regular agenda item for the People and Culture Committee, recognising the important link between fraud prevention, organisational culture and staff awareness.
- Noted the risks associated with workforce fraud, payroll fraud, sickness fraud and financial losses arising from ineffective preventative controls.
- Received assurance that Counter Fraud activity remained on track, national priorities were reflected in local work plans and fraud prevention arrangements continued to strengthen.
- Agreed with the Committee Chair's observation that preventative fraud work was inherently difficult to quantify but remained a critical component of organisational control and should continue to be reinforced through training, awareness and culture.
- Noted the Executive Director of Finance's commitment to consider the Committee's comments further with the Head of Local Counter Fraud.

The following Action was agreed:

- **AC26.87.01:** Executive Director of Finance to meet with the Head of Local Counter Fraud to consider opportunities to strengthen outcome-based and measurable reporting of Counter Fraud activity.

It was resolved that the Committee:

- **NOTED** progress against the Counter Fraud Workplan for 2026/27.
- **RECEIVED ASSURANCE** that Counter Fraud activity remained on track and that fraud prevention arrangements continued to strengthen.

CLOSING BUSINESS

AC26.89 Agree Items for referral to Board / Other Committees Chair

Appropriate referrals were in place through established governance arrangements in regard to Internal Audit Reviews.

AC26.90 Review of meeting effectiveness

In reflecting on the meeting, the Committee:

- Reflected positively on the breadth of business conducted and the quality of discussion throughout the meeting.
- Recognised the continued development of the Committee towards a stronger Audit, Risk and Assurance function.
- Welcomed the increasing emphasis on organisational assurance, outcomes and effectiveness, rather than solely assurance regarding the completion of processes and controls.
- Acknowledged the importance of continuing to strengthen reporting in relation to benefits realisation, organisational learning, risk reduction and the impact of improvement actions.
- Noted Rhian Watcyn Jones' observation that the decision to reorder the agenda to accommodate the availability of the Chief Executive had been reasonable in the circumstances but may have affected members of the public wishing to observe the discussion on the Centre for Mental Health and Society Review.
- Received assurance that comprehensive minutes of the discussion would be made available to support transparency and public accountability.
- Noted the Chair's conclusion that the Committee had undertaken a substantial programme of work and had continued to provide constructive challenge, scrutiny and assurance across a broad range of governance, risk and control matters.

The Committee noted the reflections and learning arising from the meeting.

AC26.91 Date of the next meeting : 20 October 2026

Resolution to exclude the Press and Public

"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."