

HTA Board meeting, 6 March 2025

Agenda item	5.2 ARAC Chair's report
For information or decision?	Information
Decision making to date?	Routine reports on ARAC proceedings brought to Board meetings by ARAC Chair
Recommendation	To note
Which strategic risks are relevant?	Risk 1: Regulation Risk 2: Sector Risk 3: Staff Risk 4: Financial Risk 5: Digital
Strategic objective	Efficient and Effective
Core operations / Change activity	Core operations
Business Plan item	Audit and Risk – coordination of appropriate organisation controls to facilitate scrutiny and oversight by stakeholders
Committee oversight?	ARAC
Finance and resource implications	N/A
Timescales	Routine quarterly report
Communication(s) (internal/ external stakeholders)	N/A
Identified legislative implications	N/A

ARAC Chair's report

HTA's Audit and Risk Assurance Committee met on 11 February 2025. I will provide readout at the Board meeting. Draft minutes of the meeting have been circulated to attendees, and copies are available to Board Members on request from Private Office. A summary is below.

- **Attending** were members Gary Crowe, Helen Dodds and Jessica Watts (Apologies from Dave Lewis). HTA's SMT, and Head of Finance & Governance also attended, along with Internal and External Auditors, and a DHSC observer. Secretariat was provided by HTA's Private Office. No **conflicts of interest** were identified by members relating to matters under discussion.
- ARAC agreed **minutes** of the meeting of 17 October 2024 (paper AUD 25-01). It was content with progress reported against **matters arising** (paper AUD 02-25).
- ARAC approved **the 2025-26 Internal Audit Plan** (paper AUD 03-25).comprising: Cyber Assessment Framework (Q1); Corporate governance (Q2); Application of license variations (Q3); Budget management (Q3); and Stakeholder management (Q4). ARAC also noted the provisional 3 year forward pipeline of internal audits
- Internal Auditors reported on the **2024-25 Audit plan** (paper AUD 04-25). ARAC was content with progress as reported. ARAC also reviewed **progress against 2024-25 audit recommendations** (paper AUD 05-25). It agreed extensions to due dates for some recommendations on Health & Safety and noted the Portfolio SMT meetings' role in prioritising responses to audits.
- External auditors spoke to the **Audit Planning Report on the 2024-2025 Financial Statements Audit** (paper AUD 13-25). ARAC was satisfied with the assessment of audit risks presented. ARAC discussed audit and accounting treatment of significant risks: (i) presumed risk of management override controls; and (ii) a potential legal claim against the HTA. ARAC confirmed its support for the initial assessment of fraud risk and the materiality calculations presented.
- ARAC was updated on a strong quarter across the HTA's **Cyber Security** landscape with no serious outages and HTA's Cyber Security posture remaining consistent with previous quarters. ARAC was content that arrangements were in place to appropriately manage cyber risks (paper AUD 06-25).
- ARAC was briefed on the **Cyber Assessment Framework interim submission** and was updated on next steps (paper AUD 07-25).
- ARAC reviewed the HTA' **strategic risk register** (AUD 08-25). Risk 1

HTA 09-25

(Regulation) had remained 'at tolerance'; Risk 2 (HTA Role) had remained 'at tolerance'; Risk 3 (People) had remained 'above tolerance'; Risk 4 (Finance) had remained 'at tolerance'; and Risk 5 (Data, Digital and Technology) had improved from 'above tolerance' to 'below tolerance'. No new external issues or major changes to existing issues were reported. ARAC provided further feedback on Risk 3. Overall ARAC felt that risks and mitigations had been clearly identified and supported the distribution of ratings. It asked for further thought on interim milestones for difficult multi-year risks and further clarity on the anticipated trajectories towards tolerance, particularly on Risk 3.

- Members noted and were content with:
 - the update on **Interests and Gifts and Hospitality Policy and Register** (paper AUD 09-25);
 - the report on grievances, disputes, fraud, counter fraud, bribery, corruption and other information, with updated **Whistleblowing policy** (AUD 10-25);
 - amendments to the **Procurement Policy and to the Budgetary Control Policy** (paper AUD 11-25).
- Members were reminded that the annual ARAC effectiveness review was under way using the NAO tool specified in ARAC's Terms of Reference.
- **Members noted for information the briefing on Accounting Policies and Judgements**, prior to the preparation and approval of the HTA Annual Report and Accounts (paper AUD 11-25 refers).
- Under AOB, ARAC thanked Helen Dodds, who was coming to the end of her term as a Member, for her commitment and contributions in the role.
- ARAC will next meet on 11 June 2025.

Gary Crowe, Chair of Audit and Risk Assurance Committee