

HTA Board meeting, 26 June 2025

Agenda item	2.2- ARAC Chair's 2024-25 Annual Report to Board
For information or decision?	Information
Decision making to date?	Report on ARAC proceedings brought to Board meetings by ARAC Chair
Recommendation	To note
Which strategic risks are relevant?	Risk 1: Operational Risk 2: Reputational Risk 3: Financial Risk 4: Strategy Risk 5: People Risk 6: Security
Strategic objective	Efficient and Effective
Core operations / Change activity	Core operations
Business Plan item	Private Office – facilitating Board, Committee, and Senior Management functions, providing good governance support and compliance with Government requirements
Committee oversight?	ARAC
Finance and resource implications	N/A
Timescales	Annual report for 2024-25 additional to routine quarterly reports presented at each Board meeting
Communication(s) (internal/ external stakeholders)	N/A
Identified legislative implications	N/A

ARAC Chair's 2024-25 Annual Report to Board

Introduction

1. This report summarises proceeding of HTA's Audit and Risk Assurance Committee (ARAC) April 2024 to March 2025. Since this reporting period concluded, ARAC has met again (on 6 June 2025) and I will update the Board orally on this later meeting.

ARAC Role And Purpose

2. ARAC provides an independent view to the Chief Executive and the Board of the organisation's internal controls, operational effectiveness, governance, and risk management. This includes an overview of internal and external audit services, risk management and counter-fraud activities. ARAC is authorised to investigate any activity within its terms of reference and to seek any information that it requires from any employee. It is able to seek legal or independent professional advice and secure the attendance of external specialists.

Committee Membership, meetings and attendance

3. HTA's Audit, Risk and Assurance Committee (ARAC) currently comprises its Chair Gary Crowe, Dave Lewis and Jessica Watts (Helen Dodds also served the ARAC Committee until 31 March 2025 when her Board membership ceased).
4. The Committee met three times during 2024/25, with attendance as below.

	2024-25			2025-26
	12 June	17 Oct (1)	11 Feb	10 Jun (2)
Gary Crowe	✓	✓	✓	✓
Helen Dodds	✓	✓	✓	N/A
Dave Lewis	✓	✓	x	✓
Jessica Watts	✓	✓	✓	✓
Notes: (1) online meeting; (2) Steve Stanbury observed. Helen Dodds had stepped down as a Board member at the end of March 2025.				

Narrative report of ARAC proceedings in 2024-25

5. At each of these meetings, the Committee received a number of standing agenda items. These include declarations of any identified fraud or losses, (including any data losses) and updates on strategic risks.

6. ARAC received the Annual Report and Accounts (AUD 18-25) which reported on the year end position, additional disclosures and material movements from the previous year. ARAC considered the External Auditor's annual statement and ISA 260 report (management letter) and AGREED to the Accounting Officer finalising and signing the HTA Annual Report and Accounts 2024/25, subject to any material amendments arising. delaying the Accounting Officer sign off until a final timeline from the NAO had been received to ensure that the accounts would be reviewed in light of any material developments.
7. During the year, the Committee also received reports on several other appropriate matters within its terms of reference. These included internal audit plans and reports, cyber security updates and dashboards; an update on progress of the Cyber Assessment Framework(CAF) (previously known as the Data Security and Protection Toolkit (DSPT) assessments and responses; risk management policy including an amended risk appetite statement; a deep dive into a key strategic risk area, and critical incident and business continuity and disaster recovery plans.
8. The Committee also reviewed the HTA's counter-fraud arrangements, the counter-fraud strategy and fraud risk assessments, to satisfy itself that appropriate arrangements are in place. In addition, the committee received an update on the work being progressed in respect of Functional Standards – those that are applicable to the HTA and agreed the proportionate approach being taken.
9. The ARAC received the GIAA Draft Annual; Opinion and HTA performance report for 2024-25 on the areas detailed below:

Engagement Title	Report Date	Opinion
Data Security & Protection Tool kit	June 2024	Moderate
Functional Standards	March 2025	Moderate
Licensing	April 2025	Moderate
Payroll & Expenses	April 2025	Moderate
HR Shared Services – Contract Management	April 2025	Limited

10. Following on from the 2023-24 report, Health and safety risks are still prevalent due to gaps in specific Health and Safety, qualifications, staff changes (appointment of the new Director of Resources and time to embed into the role), and the move to an HR Shared Service model. Of the ten

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Health and Safety recommendations in the 2023-24 reporting period, 9 were due to be completed by quarter 3 of the 2023-24 business year, with the final recommendation which relates to continuous improvements, due by March 2024. These timelines have now been extended, and discussions are ongoing between the HTA and CQC for engagement of the CQC dedicated Health and Safety professionals to manage HTA Health and Safety requirements going forwards.

11. The HTA is at the lower end of the overall Moderate Assurance rating which is not inappropriate for an organisation of our size. The management team are addressing any issues with increased frequency of meetings, clearer messaging to key stakeholders and an excellent working relationship between the Finance team and GIAA. Recommendations to deliver remedial actions and new improvements from each of these reports have been agreed between Internal Audit and SMT, and progress against completion of these recommendations is monitored collectively by SMT monthly through our portfolio management process.

Committee Effectiveness

12. The ARAC undertook its effectiveness review in February 2025 using the National Audit Office Audit and Risk Assurance Committee effectiveness tool, with the majority of areas of review scoring on average between “meeting standards” and “excelling”. The ARAC discussed the outcome of this review at its meeting of June 2024 and an appropriate set of actions have been agreed as part of the wider HTA Board effectiveness Action plan.

2025-26 programme

13. The detail of this will be a matter for my successor as ARAC Chair, David Stanton to discuss further with HTA staff and Auditors. However, I anticipate that the core functions and activities of ARAC will remain broadly similar to those for 2024-25.

Gary Crowe, Chair of Audit and Risk Assurance Committee