



Comisiynydd
**Cenedlaethau'r
Dyfodol**
Cymru

**Future
Generations**
Commissioner
for Wales

Audit and Risk Assurance Committee (ARAC)

Wednesday 17 April

Online or Tramshed Tech, Unit D, Pendyris St., Cardiff

11:45 Arrivals and Lunch.

12:30 – 12:45 (ARAC mtg closed for Members)

12:45 – 12:55 (ARAC members and auditors)

13:00 – 15:00 (full committee)

Alan Morris	Committee Member [Chair]
Jocelyn Davies	Committee Member
Peter Davies	Committee Member
Phil George	Committee Member
Mair Gwynant	Committee Member
Fran Targett	Committee Member
Annmarie Thomas	Committee Member
Nicola Williams	Committee Member
Sabiha Azad	Committee Member (trainee)
Samer Karrar	Committee Member (trainee)
Princess Onyeausi	Committee Member (trainee)
Derek Walker	Future Generations Commissioner for Wales
Marie Brousseau Navarro	OFGC: Chief Operating Officer and Deputy Commissioner
Lisa Pitt <i>[item 6]</i>	OFGC: Head of Finance
Helen Nelson	FGC: Director of Strategic Planning, Climate and Nature [Committee Secretariat]
Clare James	External Auditor Audit Wales
Mike Collier	Internal Auditor TIAA
Shameem Nawaz	Intern

PART 1 - ASSURANCE

1. Apologies for absence and declarations of interest

There were no apologies.

Peter Davies noted that he has been appointed to the [Severn Estuary Commission](#), an independent body to explore the potential for sustainable energy from the Severn Estuary. It was agreed that this was not a conflict of interest.

2. Introductions and welcome

The Chair welcomed new Committee members Phil George and Nicola Williams to the meeting, and Shameem Nawaz who was part of the Welsh Government's Job Shadowing Scheme Pilot and joining ARAC for six months.

Alan noted that this would be his final meeting as Chair of the Committee and that Mair Gwynant was appointed by Derek to take the role going forward.

The Committee congratulated Mair and thanked Alan for all that he had done as ARAC Chair from the inception of the Committee in 2017, through Covid-19, to the present. It was agreed that Alan would continue as a Committee Member until July to oversee the ARAC annual report and review.

ACTION:

2.1 Helen Nelson to add Mair's name to the membership of the statutory Advisory Panel.

3. Minutes of last meeting and matters arising

Accuracy of minutes:

Several corrections were made. Based on these being actioned, the minutes were approved as a correct record of the meeting.

Matters Arising:

There were no matters arising that were not already on the agenda.

4. Audit

Internal audit

Mike Collier summarised activity as:



- Project management audit - reasonable assurance and recommendations accepted by management.
- Key Financial Controls audit – substantial assurance. No recommendations or comments.
- SICA update – audits have been completed and reports finalised. Mike advised that there would be no specific issues raised in their end of year report.

The Committee agreed to pressing ahead with the cyber security audit. As the Commissioner is in the process of reviewing the risk strategy, the Committee agreed to delay confirming the rest of the internal audit annual plan, as this should be informed by the new risk register.

External audit

Clare James, Audit Manager from Audit Wales introduced her report. She noted that an area of focus for the audit of 2023-24 would be the impact of redundancies. A discussion was held on the timing of the external audit to make sure that this would be completed for the Commissioner to meet the statutory deadline relating to publishing the report. Assurances were given to the Committee in this respect.

5. Financial Report

Lisa introduced the outturn and forward budget papers.

Points of discussion:

Outturn for 2023/24

- The staff restructure had taken up significant resource time. Welsh Government have confirmed they will cover the restructure costs in the region of £72,000 which meant that no further redundancies were needed at this time. The Committee congratulated the whole team on the restructure process. The Commissioner had been able to navigate a tough set of decisions, and the restructure process had been well managed.
- ARAC members asked about the impact of the restructure on the team morale and workload. The Commissioner advised that it was still early days and that the full impact of losing staff members had not yet been seen. A discussion was held on the risk of heavy workload, team resilience and pinch points in delivery. Cymru Can includes an ambitious set of goals. ARAC agreed to keep a watch on this and suggested that staff training needs to be protected going forward. Derek noted that as well as a new line management structure, the team still had the cheerleader model for well-being support and initiatives like Cwpan Calon to reward achievement.
- The committee congratulated the team and Lisa on successful budget management in the year with only a small underspend. Lisa advised that with regards to day-to-day financial management, a monthly finance report goes to SLT, there are agreed budget holders, and underspends are reallocated during the year. There is scrutiny of how monies are managed to ensure that there are no significant under or overspends.



2024/25 budget

- Of concern for the budget 2024-2025 was the 5% baseline cut, which is exacerbated due to increasing costs including an additional £10k for a mandatory increased pension contribution – there is no update at present from the Welsh Government on whether additional funding will be received to cover this
- ARAC asked to be reassured that there were sufficient resources available to deliver the practical work needed to deliver the Cymru Can strategy, ensuring reach and impact. The Commissioner noted that he was exploring secondments and other resource opportunities.
- The Committee noted the potential additional income for 2024-25 including capital funding for the website (confirmed capital spend), the international action plan (confirmed) and the sponsorship for the Future Generations Leadership Academy. The FGLA funds are crucial to helping to cover the staff costs of running these programmes, but final figures are still to be confirmed. Lisa noted that the Commissioner has developed best case and worst-case scenarios. Final figures will be reported to the next ARAC meeting. There is a small amount of flexibility in the budget linked to the amount provisionally allocated for project funding. With regards to the international action plan, the Commissioner needs to ensure value of delivery back in Wales.
- The Committee thanked Lisa Pitt and Derek for their report and concluded that they felt reassured about the financial position for 2024/25.
- The Committee noted that with a new First Minister and cabinet in place, further work may be needed to ensure full understanding of the Act by the new generation of politicians from those who brought it in.

6. Quarterly Report

Helen Nelson summarised the quarterly report.

Points of discussion:

- HR – gender profiling and the equalities monitoring is to be supported.
- The Committee raised questions in relation to the Senedd's Public Accounts and Public Administration Committee's (PAPAC) recently published report on the scrutiny of the FGC's annual report for 2022-23, which included 13 recommendations. In response to a query on whether this could be perceived as a negative report, Marie reminded the Committee that the conclusion was that the organisation was "well run". ARAC asked to be kept up to date with how we are responding to the recommendations to ensure that timely progress is made
- The Commissioner was due to appear before the Equalities and Social Justice Committee in June for annual scrutiny.
- The committee commended the communications activity that was outlined in the quarterly report. Whilst many bodies hold Welsh Government to account on policy matters, they don't do enough to challenge the Government on their approach to communications.



- An update on the eight new bodies coming under the Act will come to the Committee in July. The cost to us of providing support must be absorbed, as previously discussed. This is likely to add further pressure on team resources.

ACTION:

- Actions re PAPAC recommendations to be monitored and reported to ARAC
- Commissioner to share an update on the statutory estimate at the July meeting.

7. Risk

The item on the risk register would be covered the following day.

8. Any other Business

There was no AoB. Alan drew this part of the meeting to a close and thanked the auditors for their attendance.