



Audit and Risk Assurance Committee (ARAC)

Agenda

Wednesday 23rd October 2024

11:30 Arrivals and lunch

12:00 Full committee

1:00 – 5:00 Risk training ARAC & SLT

Mair Gwynant	Committee Member [Chair]
Fran Targett	Committee Member
Peter Davies	Committee Member
Annmarie Thomas	Committee Member
Phil George	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	Deputy Commissioner & Director of Health
Lisa Pitt	Director of Finance and IT
Helen Nelson	Director of Strategic Planning & Climate [Secretariat]
Clare James	External Auditor Audit Wales
Mike Collier	Internal Auditor TIAA
Jemimah McAlpine	Internal Auditor TIAA

PART 1 - ASSURANCE

1. Apologies for absence and declarations of interest

There were no apologies or declarations of interest.

2. Minutes of last meeting and matters arising

Approval of Minutes

July 17, 2024 – approved, no corrections.

August 18, 2024 – approved, no corrections

Matters Arising

July 17, 2024 - None

August 18, 2024 - The Director of Finance updated that the annual accounts had been filed and there had been no corrections.

ACTIONS:

- 2.1 Secretariat to prepare and update a rolling list of actions arising from ARAC meetings.
- 2.2 The Director of Finance to forward on all TIAA briefings to ARAC members.
- 2.3 Roll forward the action for the Chair to pull together a short paper describing the self-assessment process, in the new financial year ready for the 2024/25 reporting period.

3. External Audit

- Clare James from Audit Wales noted the £3,000 refunded audit fee. There would be a 1.8% uplift in the fee next year.
- With regards to the timing of the external audit in 2025/26, the Committee requested that it be timed to ensure that it reported in readiness for the ARAC July meeting, to avoid an extra meeting in August.

ACTIONS:

- 3.1 Clare James to liaise with the Director of Finance to plan for the audit taking place in 205/26, with a view to the accounts being ready for the ARAC meeting in July 2025.

4. Internal Audit

Mike Collier from TIAA presented his report.

Summary Internal Controls Assurance (SICA) report.

The SICA Report was noted.

With regards to the remaining audit plan for 2024/25, this was progressing. The cyber security audit is planned for November 2024.

Key Financial Controls audit

TIAA reported that no issues were found and a 'substantial assurance rating' had been awarded. A discussion was held on measures in place regarding segregation of duties. It was noted that the biggest risk is human error, particular in payroll. Payroll is contracted out to Public Services Ombudsman Wales, so a third party also has a role to play in checking figures.

Progress against PAPAC and other internal audit recommendations

The paper was noted.

PAPAC Recommendation 1. We recommend that the Commissioner considers publishing information about the meetings of his Advisory Panel. It was confirmed that minutes of the Statutory Advisory Panel would be uploaded to the website, to coincide with the launch of the new website.

PAPAC Recommendation 7. We recommend that the Commissioner provide the Committee with a written update in six months' time on the work being undertaken by his office to develop a model for charging for services to generate additional resources. The Commissioner noted that a charging model was a work in progress, and that the Office was not at the stage of deciding on or delivering against this. The principle would be continued free support to public bodies under the Act (within reason) but charging for businesses and other organisations who were not covered by the legislation. We will bring more detail in the future.

Audit strategy and annual plan

There are a small number of days purposefully unallocated to ensure that with the new risk register being developed, future audits could be decided around areas of highest risk. Discussion on this would roll forward to January 2025 by which point the Risk Register would be finished.

ACTIONS:

- 4.1 Director of Finance to build up an internal Finance Manual over time.
- 4.2 Commissioner to bring to a future meeting, more detail on a potential charging model.

5. Financial Report

Lisa introduced the Finance Report

Points of discussion:

- Discussion was held on the remaining budget going into Qtr 4.



- Staff would be provided with work mobile phones and asked to stop using their personal mobiles for work, for cyber security reasons.
- The Committee discussed the staff pay award. They noted concern that the Commissioner's Office had to comply with the Welsh Government pay award (currently being negotiated), despite no commitment for funding to help meet the cost. Decisions about staff pay award should be for the Commissioner to take, weighing this up alongside other priorities, otherwise it risks a loss of autonomy in decision-making.

ACTIONS:

- 5.1 The Commissioner to update ARAC at the January meeting on the pay award for 2024/25 and budget 2025/26.

6. Quarterly Report

Quarterly Exception Report

The paper was noted. The Committee questioned whether sufficient testing was being undertaken on cyber security and it was agreed that the imminent internal audit would advise on this.

With regards to the staff satisfaction survey, it was positive to see the high response rate of 100%, which showed a high level of engagement, with a good score overall too. Workload was the biggest issue: the Office has an ambitious plan and is low on resource. Annmarie Thomas advised that the focus needs to be on the small number who reported a lower satisfaction rate; sometimes small gestures can make a difference.

Risk register.

The Committee noted the draft risk register and that this would be finalised by the January ARAC meeting, following the training.

ACTION:

- 6.1 FGC Director of People to follow-up with Annmarie Thomas on the staff satisfaction survey and ideas that could help improve staff experience.

7. Any other Business

There was no AoB and the Chair closed the meeting.