



Audit and Risk Assurance Committee (ARAC)

Thursday 18th August 2024

Online

9:00 - 9:30 (full committee)

Mair Gwynant	Committee Member [Chair]
Fran Targett	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)
Shameem Nawaz	FGC Intern
Derek Walker	Future Generations Commissioner
Lisa Pitt	Director of Finance and IT
Clare James	External Auditor Audit Wales
Steen Gourlay	Internal Auditor TIAA

1. Apologies for absence and declarations of interest

Peter Davies, Helen Nelson, Marie Brousseau-Navarro. No declarations of interest.

2. Consideration and approval of the audit report

The Committee noted the audit report.

The Director of Finance and IT confirmed that she had nothing to add - there was little to report on and she was happy with everything discussed and agreed with Audit Wales. The Commissioner extended his thanks to Audit Wales for their collaborative approach.

Clare James Audit Wales noted that there were no uncorrected misstatements. There had been minor narrative changes and drew attention to two numerical adjustments made in the pay section of the Annual Report for information only (referred to in the Accountability section). These had been agreed and adjusted. Audit Wales had given the Commissioner a clean audit and intended to submit an unqualified opinion.

Clare James confirmed that the Letter of Representation requiring the Commissioner and the Committee's signatures was a standard template. There had been no additions or exceptions requiring reporting within it.

Mair Gwynant added her congratulations to the whole of the FGC team for ensuring controls and procedures were maintained throughout the year that meant a smooth audit could occur. She also noted that the Committee could take assurance from the audit of accounts report from Audit Wales, as no significant concerns were raised and the reference to the high quality of the draft accounts presented for audit. .

Issues discussed:

- The bulk of the other income disclosed in the Financial Statements was from the Future Generations Leadership Academy and the international work. This income was on a cost recovery basis only and did not include an element that could be regarded as profit.
- The 14% change in the remuneration of employees as reported in the Fair Pay disclosure section was due to several factors. Employees on fixed term appointments, internships and those "lower grades" had left the organisation. The pay parity project has also had an impact on increasing higher wage brackets, though this has been over the past few years and so had not been repeated in the report. The small size of our organisation means that even minor changes in staffing structure have significant impacts on ratios reported.
- The Director of Finance had picked up in earlier drafts that the Ultra Low Emission Vehicle (ULEV) benefit in kind had not been reported and so had subsequently been corrected and included. This was not reported on in earlier years and is an omission but would be included going forward. Clare James confirmed this had not been noted in earlier audit reports.
- It was confirmed that all narrative changes suggested by Audit Wales had been accepted and made.
- Mair Gwynant reiterated her congratulations to the team and assured ARAC that she had been involved in discussion on the changes proposed, accepted and made on the narrative description and reiterated that no other numerical misstatements were noted by Audit Wales.
- ARAC recommended to the Commissioner that he accept the Audit Report in full and signs the accounts.

3. Letter of representation

There being no further questions, ARAC members agreed that they would recommend that the Commissioner and Committee Chair sign the Letter of Representation.



ACTIONS:

- 3.1 Lisa Pitt to send the letter over to Audit Wales following the conclusion of the meeting

4. Any Other Business

Phil George noted some reflections on the Annual Report. He welcomed the report and the work of the office but expressed his view that the report felt a little disaggregated. In next year's report he said we should seek to present a stronger, overarching narrative that would bring the report together and that would appeal to the wider public as well as to the public bodies.

It was agreed to revisit the timetable of the annual report drafting going forward, to ensure that ARAC members had sufficient time to provide feedback and input