



Audit and Risk Assurance Committee (ARAC)

Minutes Thursday 30 January 2025

Online via Teams

9:30 (closed for Members) **9:40 - 9:45** (closed for Members and auditors)

9:45 – 12:30 (full committee)

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

Apologies from Samer Karrar. Mair noted the lovely news regarding the safe arrival of the baby. There were no declarations of interest.

2. Minutes of last meeting and matters arising

Approval of Minutes

23 October 2024 – approved, no corrections.



Matters Arising

Mair referenced the paper in the pack, the list of Rolling ARAC actions. The committee agreed that this was a useful summary to track agreed actions.

The Committee agreed to bring the ARAC Terms of Reference at the April 2025 meeting to clarify the process for appointing the ARAC chair. It was also agreed to bring developments on the charging model and the Future Generations Leadership Academy, to a future meeting.

ACTIONS:

- 2.1 The secretariat to add ARAC ToR to the April meeting, to clarify the process for appointing the Chair.

3. External Audit

- Clare James referred to her paper and noted that she was liaising with the Director of Finance and IT on the timelines for external audit in 2025/26. The Committee notes the £3,000 refunded audit fee, and that there would be a 1.8% uplift in the fee next year (2025/26).
- Mair thanked Clare for the link to the papers on cyber security/ digital and AI. This is something for the Committee to consider.
- Derek noted that Audit Wales would be publishing their own five-year report on the implementation of the Act, on the same timescales as the Future Generations Report.

ACTIONS:

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

4. Internal Audit

Mike Collier from TIAA gave an overview of progress to date. Two audits have been completed (financial controls and cyber security), plus the ARAC risk workshop in October. The follow-up internal audit taking place which will be completed by the year end. With regards to the remaining audit plan for 2024/25, this was progressing.

A revised set of [Global Internal Audit Standards](#) have been introduced and Mike confirmed that he was available to answer any questions. With the new TIAA contract coming into place, these changes will be built in (for example, an annual meeting with the ARAC chair). Similarly, when we present the audit plan, there will be a longer audit charter. The new contract and new standards are timely to reset the relationship between FGC and TIAA and will support the development of a more proactive relationship.



Substantial assurance had been achieved on the key financial control audit.

Reasonable assurance had been achieved. It was agreed to see this ongoing training embedded into the culture. The Director of Finance and IT clarified that the Commissioner does have an asset list and team members are allocated a device. Obits IT are due to feedback on some of the queries from the audit, which will enable the office to close down the recommendations.

Marie confirmed that the Office is fully cloud based, which is backed up every 24 hrs. Testing this as a core part of our business continuity planning. The risk of data loss is significant, but the committee felt reassured.

With regards to personal devices, Lisa confirmed that the office had funding from Welsh Government in the current year to purchase phones for each team member, which Orbits IT will manage with remote control. The Commissioner will change the policy to stop colleagues using personal devices for work. Annmarie noted that she has developed a similar policy and offered to share. From a cyber security perspective, an additional area of weakness is our relationships with other bodies. It was agreed that this was a helpful discussion and to keep this on the risk register.

Progress against PAPAC and other internal audit recommendations

There was no update but it's useful to have as a standing item.

ACTIONS:

- 4.1 Cyber security training to continue to be embedded into FGC's organisational culture.
- 4.2 Annmarie to share with Lisa her experience of bringing in work-issued electronic devices to replace personal phones.

5. Financial Report

Lisa introduced the Finance Report for December and budget for 2025/26. She noted:

- That there is uncertainty regarding employers national insurance, where we're hoping to source additional support.
- The additional income brought in via the Future Generations Leadership Academy, the international programme and food policy work. The Committee reflected that whilst it's positive to see extra funding opportunities, they also pose challenges as they can be short-notice and sometimes acts as a distraction to longer-term planning and delivery, and adds to the workload.

The Committee thanked Lisa for her very clear report.

6. Quarterly Report

Quarterly Exception Report

Marie presented the report. Mair opened up the discussion to the wider committee.

Points of discussion

- Staff workload and capacity was the key issue, with 67% of staff feeling that workload was not manageable in the recent staff survey. This was a huge risk for the organisation and the results were disappointing and to a greater extent than anticipated.
- The work associated with the Future Generations Report is the main cause, but the Committee acknowledge that this was an ongoing and not a temporary issue. Committee members reflected on their own experience of leading a values-led organisation and that this felt like familiar territory, where team members care about their work.
- Derek noted his thanks to team who work incredibly hard. The work associated with the FG Report had helped the missions to narrow down the focus of their advocacy and advice over the next five years. Helen was leading the routemap planning for 2025-2030. The Committee noted the importance of understanding impact and using KPIs to inform decisions.
- The Committee thanked the Commissioner for bringing forward these challenges and recommended that the Office look at HSE workplace standards on stress. The office must not shy away from making difficult decisions, and how we select where we're going to prioritise has to be around measureable impact.

Risk register.

The Committee noted that this was the first time that they were seeing the risk register, and that the overall structure feels ok.

Points of discussion:

- We need to ensure that the right risks (at this moment in time) are included in the risk register. For example, the register doesn't include a risk about the reputational risk of not delivering the strategy, or the broader issue of longer-term political reform over 18 months.
- There were some comments on the scoring – for example, Risk 4-5 score seems low given the discussion above. Scope risk 1 should decrease. The Committee would like to see more clarity on what is done, by who and when, and on additional control measures.
- With reference to Column E, statements should be written in a consistent way. For example, "there is a risk of..... which is caused by..... which will impact on".
- Cyber security and business continuity need to feature.
- Our challenge is that controls in place will the impact change at all. How this changes over time and do we have a right risk on the register. Scoring we can argue over.
- At the next meeting, the Committee asked for a more in-depth discussion on the risks on there (for example, the discussions on cyber security and workload had been useful today.



- Going back to audit plan (item 4 above), where should the focus of internal audits be? Lisa and Mair to have conversations with TIAA and Audit Wales – for example the national fraud issues raised by Audit Wales.

Committee effectiveness – paper from Mair. Always been performance reviews of members, picking up from where Alan left off. Simplified and tweaked and built in a perform management form for the trainees. Papers here today to inform you and seek your views, proposal draft. Plus a questionnaire. Officers auditors and arac members.

Yes support for this. Annemarie to share similar version. Welcomes it.

Comments on trainee form – appropriate – yes sabia better than last year. Mentors to take the lead.

ACTION:

- 6.1 Lisa and Mair to have conversations with TIAA and Audit Wales – for example the national fraud issues raised in Audit Wales's paper.

7. Any other Business

There was no AoB and the Chair closed this part of the meeting.