

Concise Minutes – National Assembly for Wales

Commission Audit and Risk Assurance Committee

Meeting Venue:

Conference Room 4B – Tŷ Hywel

Meeting date: Monday, 9 July 2018

Meeting time: 10:00–11:30

Attendance

Category	Names
Committee Members:	Eric Gregory (Chair) Keith Baldwin Hugh Widdis Suzy Davies AM
Wales Audit Office:	Ann-Marie Harkin, Wales Audit Office (WAO) Gareth Lucey, Wales Audit Office (WAO)
Commission Staff:	Manon Antoniazzi, Chief Executive and Clerk, and Accounting Officer Dave Tosh, Director of Resources Nia Morgan, Director of Finance Gareth Watts, Head of Internal Audit Kathryn Hughes, Committee Clerk and Risk Manager Buddug Saer, Committee Deputy Clerk Craig Stephenson, Director of Commission Services (Items 7 and 12)



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

1 Introductions, apologies and declaration of interests

- 1.1 No apologies were received and no interests were declared.

2 Minutes of 18 June, actions and matters arising

ACARAC (04-18) Paper 1 – Minutes of 18 June 2018

ACARAC (04-18) Paper 2 – Summary of actions

- 2.1 The minutes of the meeting on 18 June were agreed.
- 2.2 The Chair thanked Dave Tosh for circulating a revised SIRO report which now included GDPR preparations and cyber-security statistics. No other actions were outstanding.

3 Annual Report and Accounts

ACARAC (04-18) Paper 3 – Annual Report and Statement of Accounts 2017-18 – cover paper

ACARAC (04-18) Paper 3 – Annex A – Annual Report and Statement of Accounts 2017-18

- 3.1 Nia Morgan presented the latest version of the Commission's Annual Report and Accounts. She sought the Committee's recommendation to the Accounting Officer that the financial statements for 2017-18 be signed.
- 3.2 The external audit carried out by WAO had not resulted in any audit adjustments to the draft accounts which were reviewed at the 18 June 2018 meeting. The final outturn for 2017-18 remained an under spend of £0.3m against budget, as reported in the draft accounts. This was a 0.6% under spend when compared with the £52.5m budget.
- 3.3 The Committee welcomed the streamlined content of the report with the use of referencing to other reports and information sources.
- 3.4 Early indications were that the actual audit costs for 2017-18 would not exceed the estimated fee of £57,958, as set out in the Audit Plan and the WAO would keep the Committee informed of any deviations from this.

4 WAO Update Report

ACARAC (04-18) Paper 4 – WAO update

- 4.1 The WAO confirmed that no matters had arisen since the June meeting and that they continued to propose an unqualified audit opinion for the Commission.
- 4.2 The WAO would work with the Finance team to address a few minor points raised at the lessons learned meeting. Consideration would also be given to accelerating processes to allow presentation of the statement of accounts earlier next year, although it was recognised that the Pension timetable may not allow for this. This would be reported back to the Committee in order to inform its forward work programme.
- 4.3 The WAO would inform the Committee of any delays caused by further investigations into the drawing down of funds from the Welsh Consolidated Fund for payment of the Standards Commissioner, although Ann-Marie was confident that any delay would not impact on the signing of the accounts.
- 4.4 The Chair welcomed the positive working relationship between officials and the auditors which was reciprocated by officials.
- 4.5 The Committee agreed that the Accounting Officer should sign the 2017-18 financial statements.

Action

Nia to keep the Committee up to date on the issue of drawing down funds from the Welsh Consolidated Fund for payment of the Standards Commissioner.

5 Feedback from the TIAA Chairs Conference and Reflections on Independent Adviser Role

Oral item via presentation

- 5.1 Keith Baldwin was invited to share his feedback from the TIAA Audit and Risk Assurance Committee Chairs conference which he attended in April 2018, as well as his reflections on his role as an Independent Adviser to the Commission and member of the Committee.
- 5.2 His first presentation focused on three key themes from the TIAA conference: cyber security; whistleblowing; and effective governance
- 5.3 In terms of cyber security Keith felt assured, from discussions in Committee meetings, that the Assembly Commission were adequately prepared in this area

and had demonstrated a clear programme for future development. He referred to a check-list of things to improve assurances around cyber-security and to a 'spider diagram' as an example of presenting cyber-security maturity. Dave advised that the ICT team were looking at producing something similar for the Commission.

- 5.4 In terms of whistleblowing, again Keith felt that the Commission had a robust policy and procedures in place although he did question whether this had been tested. Gareth Watts explained that he planned to attend a course later in the year run by Public Concern at Work to ensure that our procedures were as up to date as possible. His findings would be shared with Manon and Dave.
- 5.5 Keith then presented a list of pointers for an effective Audit Committee which he elaborated on in his next presentation by focusing on what this could mean for the Commission.
- 5.6 His next presentation focused on his Committee membership and role as an Independent Advisor. He felt the Assembly had developed into a strong and mature organisation especially in terms of risk management and internal audit.
- 5.7 He expressed some concern about the loss of experience and knowledge as a result of his departure and the Chair's departure in 2019.
- 5.8 Much of his presentation focused on a list of suggested pointers for an effective committee, as referenced in the previous presentation. The Chair agreed that much of this was already in place in the Commission, although assurance and risk management processes should continue to be developed. The Chair added that the Terms of Reference clearly set out the role of the Committee and the forward work programme was shared on a regular basis for members to influence the items to discuss.
- 5.9 Overall, Keith's experience had been positive, enjoyable and rewarding. The Committee and officials thanked him for his contributions and commitment to the role and wished him all the best for the future.

6 Update on finance system project (1 + year on)

ACARAC (04-18) Paper 5 – Update on finance system replacement project (NAV)

- 6.1 Nia presented the update report, outlining the significant number of benefits being realised by the project. Examples included: more effective use of staff

resources; more efficient business process and the elimination of non-compliance risks.

- 6.2 A number of issues were encountered during the year since the system went live, although the majority of these had been addressed by the software supplier. The relationship with the supplier had improved significantly following the appointment of a Customer Account Manager specifically for the Commission.
- 6.3 A Service Improvement Plan was now in place and during a recent site visit from a senior representative in April 2018, a number of minor but long-outstanding issues were resolved.
- 6.4 The Committee questioned what the next phase would entail. Nia confirmed that phase three would replace Folding Space, the electronic Members' allowances system. Phase three would enable budgeting for Members' staff and the publication of expenses to be carried out directly from within the core finance system (NAV). The phase was due to be completed by 1 April 2019.
- 6.5 The Committee thanked Nia for this update and welcomed the efficiency savings the system had generated.

Action

Nia to keep the Committee updating on progress against key milestones on delivery of the next phase of the finance replacement project.

7 Strategic Update

Oral item

- 7.1 Dave and Manon led on the strategic update. Dave commenced discussion with an update on Phase 2 of the Capacity Review. An action plan was in place with leads and timescales identified. As a result of the greater flexibility identified during the Phase 1 of the review, individuals had been temporarily redeployed to areas such as the Brexit team to meet immediate demand.
- 7.2 As well as the results of the Capacity Review, the prioritisation criteria would prove a useful tool to assess calls on the Commission's Investment Fund.
- 7.3 Manon then updated the Committee on Assembly reform and Brexit. Staff engagement had been a priority for Manon and at the end of each Assembly term staff sessions had proved very engaging and collaborative. Since her appointment, Manon had been encouraged by how committed staff were to the organisation and hoped that the opportunities brought by the Capacity Review and Assembly

reform would bring more varied and interesting work which in turn could increase morale.

- 7.4 Committee members were aware of the uncertainty around Brexit. Manon assured the Committee that they were responding to developments as and when they occurred and would continue to work closely with colleagues across other legislatures.
- 7.5 Dave concluded this item by reminding the Committee that any decision on new accommodation would have to be taken by the Welsh Government and supported via a supplementary budget. The Llywydd was discussing this with the First Minister at each bi-lateral meeting and the issue would become more pressing if the Assembly agreed to an increase in the number of Assembly Members.

8 Departures Summary

ACARAC (04-18) Paper 6 – Departure Summary

- 8.1 The Committee discussed the two departures from normal procurement procedure presented in the paper. During the discussion, the Committee noted the controls and planning around use of the Commission's learning and development budget.

9 Forward Work Programme

ACARAC (04-18) Paper 7 – Forward Work Programme

- 9.1 The Committee welcomed the forward work programme and asked the Clerking team to ensure an induction programme was planned/established for new ACARAC members.

Next meeting is scheduled for 26 November 2018.