

# Concise Minutes – Assembly Commission Audit and Risk Assurance Committee

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Meeting Venue:

Video Conference Room, Tŷ Hywel

Meeting date: Monday, 15 July 2019

Meeting time: 10.30 – 12.00

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## Attendance

Category	Names
Committee Members:	Robert (Bob) Evans (Chair), Independent Adviser and Committee Chair  Hugh Widdis, Independent Committee Member  Dr Aled Eirug, Independent Adviser  Ann Beynon  OBE, Independent Adviser and Committee Member
Wales Audit Office:	Gareth Lucey, Wales Audit Office
Commission Staff:	Manon Antoniazzi, Chief Executive and Clerk, and Accounting Officer  Dave Tosh, Director of Resources  Gareth Watts, Head of Governance and Assurance  Nia Morgan, Director of Finance  Kathryn Hughes, Committee Clerk and Risk Manager  Callum Lupton, Committee Deputy Clerk



## **1 Introductions, apologies and declaration of interests**

- 1.1 Two apologies were received from Suzy Davies AM, Commissioner and Ann-Marie Harkin, Wales Audit Office (WAO).
- 1.2 The Chair welcomed everyone to the meeting and asked members to take into account the minutes of the June meeting to inform a recommendation that the Chief Executive and Clerk signs the accounts.

## **2 Minutes of 17 June, actions and matters arising**

*ACARAC (04-19) Paper 1 – Minutes of 17 June 2019*

*ACARAC (04-19) Paper 2 – Summary of actions*

- 2.1 The minutes of the 17 June meeting were agreed. All actions were completed apart from the action around the Electoral Commission which was ongoing.
- 2.2 The Chair responded to a question from Ann Beynon by advising that a general overview of considerations by the Remuneration, Engagement and Workforce Advisory Committee (REWAC) had been scheduled for the October meeting.

## **3 Annual Report and Statement of Accounts**

*ACARAC (04-19) Paper 3 – Annual Report and Accounts 2018-19*

*ACARAC (04-19) Paper 3 Annex A – Annual Report and Accounts 2018-19*

- 3.1 The Chair and Manon Antoniazzi invited comments from Committee members on the Annual Report and Accounts and clarified that it was the Commission's role to approve the Annual Report element.
- 3.2 The Chair reiterated that he thought the *Annual Report and Accounts* was accessible and presented a very good account of Assembly activity and achievements.
- 3.3 Hugh Widdis highlighted a wording error in the Annual Report which was corrected.
- 3.4 The Chair invited Nia Morgan to comment on the accounts and to provide some context to the adjustment made to reflect the impact of the recent Supreme Court McCloud judgement. This judgment required a £1 million adjustment to

the amount the Assembly Commission recognises in respect of the Assembly Members' Pension Scheme liability.

- 3.5 Nia explained that, apart from the pension adjustment nothing had changed since the ISA260 had been presented in June. She also explained the process which had been agreed with the actuaries and WAO of estimating the budget impact of the pension judgement, as a full revaluation would cost around £5k and was not deemed to be good value for money. Gareth Lucey added that the Commission's approach was a sensible one and was consistent with estimated adjustments applied by other affected public sector bodies. The Chair welcomed this approach and the agreement by the WAO. The Chair thanked Nia for the way in which the last minute adjustment had been handled.
- 3.6 Nia Morgan advised that the underspend remained as expected. She also highlighted that the lessons learned from this year's audit would be discussed at a review meeting which had been scheduled between WAO and the Commission's Finance team. This would include discussions about the timing of the audit for next year to facilitate earlier signing of the accounts.
- 3.7 Gareth Lucey confirmed that WAO had not identified any material issues during their audit of the Commission's accounts.
- 3.8 The Chair thanked Nia and all involved for their contribution to the Annual Report and Accounts and formally recommended that the Assembly Commission give approval for the Chief Executive and Clerk, and Accounting Officer sign the Statement of Accounts.

## **4 WAO update report**

*ACARAC (04-19) Paper 4 – WAO update report*

- 4.1 This report had been covered in item 3; the WAO had nothing further to add.

## **5 Horizon scanning**

- 5.1 The Chair invited officials to provide an overview of significant areas of work and likely challenges in the coming months to help inform the Committee's forward work programme and identify where it could add value. The following areas were discussed:

- challenges presented in terms of preparing for Brexit, dependent on whether there was a deal, no deal, or extension to the exit plans;
- on-going work to introduce Assembly reform, including changes to the name of the Assembly, electoral processes and the voting age and how this was best communicated;
- wider, longer term reform around the size of the Assembly;
- the change in focus for the Commission's communication and engagement strategies;
- the forthcoming review of support for Assembly Committees;
- continued focus on the Commission's Official Languages Scheme, the Annual Report for which was due to be debated in plenary in the coming weeks;
- preparations for the May 2021 Assembly elections and transitional arrangements;
- changes in governance arrangements for programmes and projects with the establishment of a Programme and Change Office; and
- continued focus on cyber-security.

5.2 Dave provided assurance to the Committee around ongoing communication with the Assembly's Business Committee, the Chairs' Forum and the Welsh Government in terms managing the capacity of Members and Commission staff.

## **6 Forward Work Programme**

### *ACARAC (04-19) Paper 5 – Forward Work Programme*

6.1 Whilst the Committee would be provided with updates on the priority areas outlined in item 5 above as a matter of course, it was agreed that the following items would be added to the forward work programme for consideration:

- an update on scenario planning for Brexit at the October meeting;

- an update on the testing of responses to cyber security incidents, as part of the regular update at the October meeting;
- evaluation of the new governance structure and arrangements i.e. Executive Board and Leadership Team; and
- feedback on development of the Commission's communication and engagement strategies, including considerations by REWAC.

6.2 The Committee agreed to consider a joint session with REWAC to discuss how they, and possibly external experts, could add value to development of the Commission's communication and engagement strategies.

6.3 The Chair asked members to contribute any further changes or additions to the forward work programme.

6.4 It was agreed that a presentation at a Committee meeting by the Wales Governance Centre in the past had been useful to bring an external perspective on the political situation and the Chair agreed to consider repeating this for a future meeting.

## **7.0 Any other business**

7.1 Nia asked for the views of Committee members on areas that were likely to be raised during her attendance at a forthcoming Finance Committee evidence session around the Public (Wales) Audit Act, particularly around the setting of audit fees.

7.2 The Committee discussed the setting of audit fees in general across the public sector and Gareth Lucey outlined the process for setting fees for auditing the Commission's accounts. He confirmed that they would continue to look at ways of reducing the fee further although it was agreed that this was difficult because of efficiencies that had been introduced. He also confirmed that the internal audits on Assembly Members expenses as well as other internal audits had helped to keep the costs down.

7.3 Gareth Watts added that, whilst the scope for reliance on internal audit was limited, the joint working protocol between the Commission and the WAO helped to maximise that reliance and avoid duplication.

7.4 The Chair thanked Committee members and officials for their attendance and contributions.

#### **8.0 Private session**

8.1 Gareth Lucey attended a private session with members of the Committee once formal proceedings concluded. No minutes were taken.

Next meeting is scheduled for 21 October 2019.