

Concise Minutes – Senedd Commission Audit and Risk Assurance Committee

Meeting Venue:

Hybrid – Conference room 4B/Zoom

Meeting date: Monday, 21 November

2022

Meeting time: 10.00 – 12.30

Attendance

Category	Names
Committee Members:	Bob Evans, Independent Adviser and Committee Chair Ann Beynon OBE, Independent Adviser and Committee Member Aled Eirug, Independent Adviser and Committee Member Ken Skates MS, Senedd Commissioner and Committee Member
Officials:	Manon Antoniazzi, Chief Executive and Clerk of the Senedd, and Accounting Officer Siwan Davies, Director of Senedd Business Ed Williams, Director of Senedd Resources Nia Morgan, Director of Finance Arwyn Jones, Director of Communication and Engagement Gareth Watts, Head of Governance and Assurance Gareth Lucey, Audit Wales Kathryn Hughes, Committee Clerk, and Risk and



	<p>Governance Manager</p> <p>Buddug Saer, Deputy Committee Clerk</p> <p>Anna Daniel, Head of Strategic Transformation Service (item 3)</p> <p>Alun Davidson, Senedd Reform Programme Manager (item 3)</p> <p>Mair Parry-Jones, Head of Translation and Reporting Service (item 5)</p> <p>Sarah Dafydd, OLS Manager (item 5)</p> <p>Lowri Williams, Head of HR & Inclusion (item 10 and 11)</p> <p>Mark Neilson, Head of ICT and Broadcasting (item 12)</p> <p>Jamie Hancock, Head of ICT Infrastructure (item 12)</p> <p>Tim Bernat, ICT Security Manager (item 12)</p> <p>Simon Hart, Interim Director of Finance (observer)</p>
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1 Introductions, apologies and declaration of interests

1.1 The Chair welcomed everyone to the meeting and noted one apology from Ann-Marie Harkin, Audit Wales.

1.2 The Chair noted that this would be the last meeting for Ann Beynon and Nia Morgan. He thanked Ann for her commitment and contributions during her tenure. Ann would be given the opportunity to share her reflections on membership of the Committee later in the meeting.

1.3 The Chair also expressed his appreciation for Nia, who would be leaving the Senedd Commission to take up a new post in January 2023. During the meeting, he noted his thanks for her briefings, support and proficiency over the past few years.

1.4 The Committee welcomed Simon Hart, interim Director of Finance as an observer to the meeting and the Committee looked forward to working with him in the new year.

1.5 No interests were declared.

2 Minutes of 15 June, actions and matters arising

ARAC (22-06) Paper 1 – Draft Minutes of 15 June 2022

ARAC (22-06) Paper 2 – Summary of actions

2.1 The minutes of the 15 June meeting were formally approved and updates to the actions were noted.

2.2 The Chair referenced two informal meetings for the record. On 8 July, the Committee received a presentation from Public Sector Broadband Authority (PSBA) and on 14 September, the Committee received an update from the sustainability team on the Commission's progress towards decarbonisation and received a presentation on the Cardiff Heat Network.

3 Senedd Reform – Corporate update

ARAC (22-06) Paper 3 – Senedd Reform Programme Update

3.1 The Chair thanked Siwan Davies and her team for the thorough and well-presented documentation, which included the papers presented to the recent Senedd Reform Programme Board meeting.

3.2 On 15 June, the Committee considered the Senedd Reform corporate risk in depth. On 7 October, the Executive Board agreed the terms of reference and membership of the Senedd Reform Programme Board ('the SRPB') and these were included in the papers.

3.3 Siwan outlined the governance arrangements for managing all of the elements of the reform agenda, of which the SRPB formed a part, as outlined in the diagram at Annex A. As well as preparing for the parliamentary business of the Seventh Senedd, this also included co-ordinating and supporting the passage of the Senedd Reform Bill and the reform of the Determination on Members' Pay and Allowances, and delivering the Ways of Working Programme and business as usual.

3.4 Siwan referred to the establishment of the Senedd Commission–Welsh Government Joint Assurance Board, terms of reference for which were included in the papers. She also referred to the high–level timeline and milestones, also included in the papers, which included progress to date. In terms of the budget, Siwan confirmed that there would be a set of common assumptions with the Welsh Government and the Independent Remuneration Board, and a single source of information on costings.

3.5 Siwan referred to the Senedd Reform risk included in the papers and highlighted the additional risks around the potential impact of the changing economic climate on budgets, capacity, and political decisions on the direction of travel.

3.6 The Chair was assured that the appropriate governance arrangements were in place and wanted to discuss the timeline, co–ordination and project management, and the dependency on the Independent Remuneration Board.

3.7 Ann Beynon was also assured by the approach to project management and asked for clarity around whether the risks were for the Welsh Government or the Commission to manage. She also wanted to ensure that someone had an overview of any deterioration in views, such as a potential legal challenge and the capacity of local authorities to run the elections. Ann also wanted to discuss the timetable, in particular around the boundary review taking place after Royal Assent and the decision to remain in Tŷ Hywel in the Seventh Senedd.

3.8 Aled Eirug also questioned political support for the boundary review and asked how potentially contentious issues around constituencies would be managed. He also asked for clarity on how officials were dealing with the relationship and inter–dependencies of the parliamentary project and the Ways of Working Programme.

3.9 Siwan and Anna responded to these points, as follows:

- a. The potential for legal challenge was captured on the Welsh Government’s risk register and a Joint Assurance Board risk register would be created.
- b. The internal arrangements for the Commission, Executive Board, the Senedd Reform Programme Board, and the Ways of Working Programme Board were aligned, in sequence and working on common assumptions.

- c. It was the responsibility of the Welsh Government to work with the local authorities to deliver electoral reform and to prepare them for the elections. This would be covered through regular update at the Joint Assurance Board based on joint stakeholder mapping.
- d. The timeline for the boundary review set out in the papers was indicative and it was for the Welsh Government to work with the Boundary Commission to make sure they were as prepared as possible, as this could not be completed until the Bill had been passed.
- e. Information and costings would be provided to the Welsh Government as part of a Regulatory Impact Assessment for publication in the Explanatory Memorandum that would accompany the Bill, likely to be required by Spring 2023.

3.10 In response to questions about the relationship with the Independent Remuneration Board, Siwan provided assurance that communication between that Board, the Senedd Commission and Business Committee was well co-ordinated. She also referred to the work undertaken to streamline the Regulatory Framework for Members of the Senedd to help clarify responsibility for decision-making.

3.11 In terms of the risks around delivering Senedd Reform, Siwan described the challenges around political decision-making and estimating resource implications. She provided assurance that there was common understanding of the risks, and that mitigation was being actively developed. Ken added that proposals could potentially be impacted by any public discourse and the Welsh Government's response.

3.12 In response to further questions about internal governance and reporting arrangements, Manon described how the SRPB, of which Siwan was chair, reported to the Executive Board, of which she was chair. The Executive Board would maintain strategic oversight of Senedd Reform and Ways of Working Programmes and, as well as regular updates, fortnightly meetings provided the opportunity to discuss any decisions or issues arising.

3.13 The Committee welcomed this substantive update and the opportunity to discuss the key risks and issues and to note progress of the Senedd Reform Programme. It was noted that, as this was a standing agenda item, a further update on progress would be provided at the February ARAC meeting.

4 G&A update report (inc. progress on IA activity)

Oral update

4.1 Gareth Watts provided an oral update on audit and wider governance activity. This supplemented an update he had shared with Committee members on 26 October.

4.2 Gareth noted his thanks to Kathryn Hughes and the team for completing all Governance Matters meetings with each Head of Service and for updating and issuing templates and guidance for gathering assurance. The guidance had been enhanced to make it more explicit around capturing corporate assurances. The process had also been adapted to take on board emerging best practice from a “golden thread” project being led by HM Treasury and the Government Internal Audit Agency. The Committee noted that the project had not raised any learning points for the Commission and had provided further assurance that best practice was followed. It was also noted that the Commission’s approach was shared with other organisations, and how this might inform best practice for the government project.

4.3 Gareth also provided updates to the Committee on other activity as follows:

- a. he and his team had completed a desktop exercise to inform an effectiveness review of Executive Board and Leadership Team which would be discussed with its members in the coming weeks;
- b. he had completed an effectiveness review of the Independent Remuneration Board and had shared his draft report with Siwan Davies and Anna Daniel before discussing it with the Chair;
- c. he had recently attended a CIPFA Cymru conference which had covered global and UK-wide risks, noting that cyber no longer featured in the top ten risks – he offered to share his notes and slides with Committee members;

- d. the Commission's co-sourced internal audit partner contract had been awarded to Haines Watts for the next four years (for the past eight years this service had been carried out by TIAA), and they had completed their first audit on Key Financial Controls, the report on which Gareth hoped to circulate before Christmas; and
- e. he had completed his audit of Members' expenses, with no recommendations and he would work with the Members' Business Support team on future taxation implications for Members.

4.4 Gareth added that he had been discussing the scope of an advisory review to be carried out by Haines Watts on Business Continuity, using their expertise and extensive knowledge of this area. The Cyber-security assurance audit would also be carried out by Haines Watts, the report on which would be circulated out of committee. He also referred to the work he was due to undertake around assurance relating to the Regulatory Framework risks.

5 Internal Audit Report

ARAC (22-06) Paper 4 - Official Languages Scheme (OLS)

5.1 The Committee welcomed Mair Parry-Jones and Sarah Dafydd to the meeting.

5.2 Aled Eirug led the discussion which focussed on monitoring compliance with the OLS, skills, learning, induction and use of Welsh across the Senedd Commission and by Members and their support staff.

5.3 In terms of monitoring compliance with the OLS, Sarah Dafydd described the work to be taken forward by a Task and Finish Group to strengthen the systems in place. This would include considering how to make more use of the Welsh language co-ordinators in each service area and linking with the Welsh Language Commission and the Welsh Government to share ideas and good practice.

5.4 Sarah also outlined how those wishing to learn Welsh would capture this in the Personal Development Record (PDR) and the importance of line managers' understanding of the time commitment. The OLS team also worked with service areas

and Members and their staff to carry out learning needs analysis and to identify the best teaching methods to suit the learners. The Committee noted the supportive approach, as opposed to the use of targets for learners as everyone's needs were different and the potential barriers to progression for more senior staff due to time constraints. They would also be developing a Cynllun Hyder (Confidence Plan) to encourage Welsh speakers and learners to use their skills.

5.5 Ken Skates commented on a visible increase in the use of the Welsh language in the Siambwr which was likely to further increase the numbers using and learning Welsh. Officials noted an increased demand where Members were pro-actively asking the tutors for help with learning or refreshing skills.

5.6 Ann Beynon raised a related point around ensuring non-Welsh speakers or learners were appreciative of working in a bilingual environment and understanding the Welsh identity and culture. This was covered through induction and ongoing awareness and monitoring of compliance with the OLS.

5.7 The Committee then asked for an update on using MS Teams for bilingual meetings. Arwyn advised that, whilst it was now technically possible to use the translation functionality on MS Teams, ICT were working with the Welsh Government to test its effectiveness and reliability. This would then be tested further for internal meetings before considering its use for formal business. Arwyn added that the use of Zoom had become more widespread for bilingual meeting since it had improved its security features.

5.8 Mair wanted to record her thanks to Sarah Dafydd and her team for their efforts and progress over recent years and their success in embedding the OLS as business as usual in the organisation.

5.9 The Committee thanked Gareth for the audit report and Sarah and Mair for their contributions. It was evident that the OLS was in a positive position but welcomed the good practice exercise to be undertaken with the Welsh Language Commission and the Welsh Government.

6 Audit Wales update report (inc. AW reports/outputs)

ARAC (22-06) Paper 5 – Audit Wales update

6.1 Gareth Lucey introduced the Audit Wales update. The Commission's Annual Report and Accounts had been certified by Ann-Marie Harkin and laid with the Senedd on 30 June. Audit Wales would be in a position to issue their invoice, which was currently below their initial estimate, before the end of 2022.

6.2 Planning for the 2022-23 audit process had been disrupted by the introduction of a revised International Auditing Standards 315 (ISA 315). As a result, Audit Wales would not be in a position to issue the formal Audit Plan until the 28 April ARAC meeting, but would present an outline plan at the 13 February meeting.

6.3 Gareth then described the consequences of the revised ISA 315 to the accounts and audit process for 2022-23. It required a more detailed risk assessment during the planning work, the results of which would determine the level of further audit testing required.

6.4 These changes could potentially impact the timing of the audit, as more planning time and upfront testing may be needed, although this may reduce the level of final audit testing due the lower risk of material mis-statements. There was also a potential impact on costs as more experienced staff would need to be involved in the planning stage. The estimated fee increase for local government bodies was between 12 and 18% but the impact on the Commission's audit fee would become clearer once planning work had been undertaken.

6.5 Gareth also referenced wider Audit Wales outputs that had recently been published, highlighting the reports on the National Fraud Initiative and Learning from Cyber Attacks, both published in October 2022, and Time To Change – Poverty in Wales, published in November 2022.

6.6 The Chair thanked Gareth for the update. He expressed concern around the potential increase in fees caused by the revised ISA 315, especially in the current financial climate. It was important that the Senedd Commission saw some benefits from the increased scrutiny involved under the new standard. He had asked Audit Wales to keep the Committee updated on progress and a regular series of update meetings had been agreed.

Action

- *Outline audit plan to be presented at the 13 February meeting with the detailed plan at the 28 April meeting.*

7 Finance update

ARAC (22-06) Paper 6 – Update on 2022-23 Financial Position and 2023-24 Budget

7.1 Nia Morgan's update described the latest financial position for 2022-23, including details of the supplementary budgets. The paper had also outlined details of the 2023-24 budget, and Nia confirmed that this had been approved by Plenary on 16 November.

7.2 In response to questions from the Committee, Nia and Manon provided further details on the investment in Facilities which included essential building maintenance and strengthening a point of vulnerability identified by Security during a recent protest.

7.3 Arwyn also provided further details on the investment in tools for developing engagement with the electorate, which included a Customer Relationship Management system and online engagement tool. This would better facilitate engagement and ways of gathering evidence and consultation responses to inform the work of Senedd Committees, and capturing feedback on the experiences of visitors to the estate.

8 PAPAC and Finance Committee update

Oral update

8.1 Nia Morgan, Manon Antoniazzi and Ken Skates had recently given evidence at both Public Accounts and Public Administration Committee (PAPAC) and Finance Committee. Additional information, including copies of reports and the Commission's responses had been shared with Committee members ahead of this meeting, on 8 November. The PAPAC report, which was expected by early December, would also be shared.

8.2 The Committee noted the positive Finance Committee Report in particular and had welcomed all the additional information sent to them. The Committee also thanked Nia for the briefings and support she had provided outside of the formal meetings.

Action

- *Clerking team to circulate the PAPAC report when available.*

9 Departure Summary

ARAC (22-06) Paper 7 - Departure Summary

9.1 The Committee noted the departures from normal procurement procedure.

9.2 In response to questions from Committee members around the renewal of the Broadcasting Service contract, Arwyn described how the Commission would continue to seek improvements to the service during regular discussions with the contractor. This would include discussions around upgrading Senedd TV.

10 Corporate Risk

ARAC (22-06) Paper 8 - Corporate Risk

ARAC (22-06) Paper 8 - Annex A - Summary Corporate Risk Register

ARAC (22-06) Paper 8 - Annex B - Corporate Risks plotted

10.1 The Committee noted the updates in the Commission's Corporate Risk Register. The Chair noted that the risks around Senedd Reform, Cyber-security and Capacity and Capability were covered as substantive agenda items.

11 Critical examination of one identified or emerging risk or issue – Corporate Capacity and Capability risk

Oral item (referring to the update in the Corporate Risk Register)

11.1 Ed Williams provided an overview of the Commission's management of the risks around capacity and capability to support the Corporate Delivery Plan, which now incorporated the two main transformation programmes for Senedd Reform and Ways of Working. He outlined how workforce planning was being revisited in light of this.

11.2 Ed referred to the diagram at Annex B in paper 3, highlighting that service, capacity and medium-term financial planning were integral parts of the governance around delivery of the transformation programmes and business as usual activities within the Corporate Delivery Plan. He also referred to the main themes of the Ways of Working Programme and how the planning process would help ensure that the Commission had the right capacity in the right places.

11.3 Lowri Williams outlined how the Commission had been consistently workforce planning for several years, including through the pandemic where staff had been redeployed to deliver priority services. She added that Heads of Service appreciated the importance of effective capacity planning and described the detailed exercise they had carried out over the summer to identify any efficiency savings and consider opportunities to deliver services differently. Lowri also outlined the challenges around budget constraints and responding to a changing market in terms of recruitment and how the roll-out of new service planning templates would facilitate workforce planning into 2024-25.

11.4 In response to questions from Committee members, Lowri described the ways in which information on skills was being gathered as part of the planning and performance management processes. She also outlined how resilience was being strengthened through, for example, leadership and parliamentary development programmes. The new service plans would also capture details of any additional capacity and new skills needed to deliver the Senedd Reform Programme.

11.5 The Chair noted that, alongside capacity and capability risks, there were also wider risks as the Commission implemented its Ways of Working Strategy. In response to this and further questions around the role of, and relationship with, the Programme Office, Ed and Manon outlined how the new Strategic Planning Unit, consisting of repurposed posts, would be adopting a more holistic portfolio management approach to change. This would be overseen by the Executive Board which would be responsible for decision-making. The new Unit would be responsible for developing reporting mechanisms to the Executive Board, dovetailing with the reports it receives from the Programme Office. Ed agreed to provide a briefing note for the Committee members

with further details on how this would work in practice.

Action

- *Ed to provide further briefing to the Committee on the governance and change management arrangements to deliver the Corporate Delivery Plan.*

12 Update on Cyber Security

ARAC (22-06) Paper 9 – Cyber Security Assurance Report

12.1 The Chair welcomed Mark Neilson, Jamie Hancock and Tim Bernat to the meeting to present this item.

12.2 Tim Bernat introduced the latest Cyber Security Assurance Report and described the current threat landscape. He outlined how the implementation of a new Security Operations Centre (SOC) in December would further improve the Commission's detection capability, and provide a dedicated 24/7/365 team of cyber security analysts and engineers. He added that a Cyber Security Officer post had been approved to increase resilience within the team.

12.3 The Committee welcomed this update and thanked the team for producing such a comprehensive assurance report. The Chair asked officials to consider the level of detail in future reports in terms of the background information and to highlight any changes since the previous updates.

12.4 Committee members asked for further details around awareness-raising, including plans for the proposed cyber events, and training, including the potential for mandatory training.

12.5 Mark confirmed that the new post would help facilitate a focus on raising awareness of cyber risks, and training for Commission staff, as well as Members and their staff. Manon added that decisions on making any training mandatory would need to be taken by the Commission. Arwyn advised that he had raised this at one of the regular meetings he and Mark had with the Commissioner, Rhun ap Iorwerth MS around ICT. Ken Skates suggested that each party group could be approached about

mandating training for Members and their support staff as this had been done for other areas in the past.

12.6 Tim also confirmed that the team was actively planning a cyber awareness event for 2023 and would be developing a cyber engagement strategy.

13 REWAC update and Reflections from Ann Beynon on membership of ARAC

Oral item

13.1 Ann Beynon thanked the Chair for allowing time for her to share her reflections. She had been grateful for the opportunity to work with a public sector organisation and had found the work of the Committee engaging.

13.2 She congratulated officials on the professional quality of the papers, particularly in relation to finance and commented on the meaningful approach to internal audit.

13.3 Ann also thanked the Chair for the regular discussions outside of the formal meetings, which she felt had helped increase her knowledge of Senedd Commission activity. She encouraged continued development of the work of the Committee, commenting on the complexity of advisory committees and boards as the Senedd evolved and the need for them to work together.

13.4 Whilst her exposure to officials had been limited more recently due to the pandemic, she commented on the polite, respectful, positive, and confident culture and supportive environment she had encountered. She urged senior management to be mindful of the impact of external pressures on this culture and to consider how individuals responded differently to pressure, suggesting this could be covered in training for managers. She also commented on the importance of providing honest feedback to staff and in a polite manner in line with the values of dignity and respect.

13.5 Her final remarks were to encourage officials to look after themselves and each other.

14 Review the committee's terms of reference

ARAC (22-06) Paper 10 – current Terms of Reference

14.1 The Committee agreed no changes were needed to its Terms of Reference.

15 Results of the Committee's effectiveness survey

ARAC (22-06) Paper 11 – Report on ARAC Effectiveness Survey 2022

15.1 The Chair thanked the Clerking team for producing the detailed report on their analysis of the survey results. He was pleased with the scores which reinforced his views on the ongoing effectiveness of the Committee. He thanked everyone for completing the survey and in particular for the helpful comments provided.

16 Forward work programme

ARAC (22-06) Paper 12 – Forward Work Programme

16.1 The forward work programme was noted and would be shared out of committee for comment.

16 Any Other Business

17.1 The Chair paid tribute to Catharine Bray, Head of Finance who was retiring from the Senedd Commission in the coming weeks. He wished to thank her for her overwhelming support and noted that her technical knowledge and expertise had been very much valued and appreciated. He also reiterated his thanks to Nia for her support and guidance over the past few years.

Next meeting is scheduled for 13 February 2023.