

# Concise Minutes – Senedd Commission Audit and Risk Assurance Committee

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Meeting Venue:

Conference Room 4B and via Teams

Meeting date: Monday, 19 February 2024

Meeting time: 10.00 – 12.30

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## Attendance

Category	Names
Members:	Bob Evans, Independent Adviser and Committee Chair Ken Skates MS, Senedd Commissioner and Committee Member Menai Owen– Jones, Independent Adviser and Committee Member Dr Mark Egan, Independent Adviser and Committee Member
Officials:	Manon Antoniazzi, Chief Executive and Clerk of the Senedd, and Accounting Officer Siwan Davies, Deputy Chief Executive and Clerk and Director of Senedd Business (items 10–20) Ed Williams, Director of Senedd Resources Kate Innes, Chief Finance Officer Arwyn Jones, Director of Communications and Engagement Lee Glover, Director, Validera and Acting Head of Internal Audit (Part 1 – items 1–12) Anthony Veale, Executive Audit Director, Audit Wales (Part 1



	<p>– items 1–12)</p> <p>Kathryn Hughes, Committee Clerk, and Risk and Governance Manager</p> <p>Buddug Saer, Deputy Committee Clerk</p> <p>Matthew Richards, Head of the Legal Service (items 10–20)</p> <p>Leanne Baker, Acting Chief People Officer (items 10–20)</p>
Others in attendance:	Uzo Iwobi, Independent Adviser

## 1 Introductions, apologies and declaration of interests

1.1 The Chair welcomed everyone to the meeting and noted apologies from Dr Aled Eirug and Clare James, Audit Wales. The meeting was split into two parts. Part 1: Assurance and Committee Business and Part 2: Strategic Discussion. The Chair had previously indicated that only members of the Executive Board (EB) would attend part 2.

1.2 No interests were declared.

## 2 Minutes of 27 November, actions and matters arising

*ARAC (24-01) Paper 1 – Draft Minutes of 27 November 2023*

*ARAC (24-01) Paper 2 – Summary of actions*

2.1 The draft minutes of the 27 November meeting were formally approved and would be published on the website in due course.

2.2 The Committee noted the progress against actions from the previous meeting and noted one outstanding action that would be complete once EB had approved the diagram on corporate planning structures.

## 3 Internal Audit activity update

*ARAC (24-01) Paper 3 – IA activity update*

3.1 The Chair welcomed Lee Glover, Acting Head of Internal Audit, to the meeting. As well as presenting a paper, he provided the following update:

- the brief for the Project and Programme Governance audit had been circulated to management for approval;
- Steve Connors was working with ICT colleagues to determine the scope of the Cyber Security review; and
- a detailed strategy for 2024–25 would be presented at the 5 May meeting.

3.2 The Committee questioned the postponed audits for 2023–24 and the development of the Audit Needs Assessment.

3.3 Lee indicated he was waiting for confirmation of budget for 2024–25 which had created some delay to the development of the 2024–25 strategy. It was noted that internal audit delivery in the second part of the year had been affected by the departure of the Head of Governance which had reduced internal audit resource within the Commission.

3.4 The Committee agreed that a decision around resourcing was crucial to the on-going development of the future strategy and needed to be in place to ensure that the Audit Needs Assessment was undertaken.

3.5 For Lee to develop the future strategy, Kate Innes was sharing past information with him and they were developing a 3 year plan as opposed to the current annual schedule. The plan would continue to consider the risk register, but where a level of assurance had been demonstrated in the past, i.e. those audits that previously gained ‘substantial assurance’, these areas could potentially be audited on a less regular cycle. This was work in progress and would be shared with ARAC once approved at EB.

3.6 The Chair noted Lee’s updated and thanked him for his continued work in this area. He also wanted to thank and pay tribute to Victoria Paris, Governance Manager, who was leaving the Commission for a position in the Welsh Government.

## **4 Consider Internal Audit Plan for 2024–25**

### *Oral update*

4.1 An internal audit plan for 2024–25 was being developed and would be shared with members in due course.

## **5 Consider latest Internal Audit reports**

*ARAC (24–01) Paper 4 – IA Report – Procurement Cards 2023–24*

5.1 Lee introduced the annual Procurement Cards audit report. He was satisfied with the evidence provided and noted one minor recommendation regarding counter fraud/ anti-bribery training records.

5.2 The Committee thanked Lee for his report and noted the recommendation.

5.3 It was noted that Public Appointments audit was ongoing and was due to be completed prior to Vic Paris leaving the Commission. Lee confirmed he was liaising with Vic on handover of any internal audit work.

5.4 Lee confirmed that Validera's audit process considered the impact of equality as good practice within the work they undertook.

## **6 Update on progression of planning for audit of 2023–24 Commission accounts**

*ARAC (24-01) Paper 5 - outline audit plan 2023-24*

6.1 The Chair welcomed Anthony Veale, Audit Wales to the meeting. Anthony referenced a timeline that he and his team were working towards with the final audit work being finalised in June 2024.

6.2 He estimated that the fee for the audit would be £71,627. This represented a 6.4% increase from last year's outturn, which was £1,690 below the initial estimated fee.

6.3 It was also noted that Audit Wales intended to procure external pension expertise again this year and that this process was underway.

6.4 The Committee acknowledged the continuing resourcing challenges at Audit Wales. They thanked Anthony for this update and welcomed the continuity of the audit team which would aid the process over the coming months.

6.5 The Chair shared his disappointment that a full interim audit was not being undertaken once again this year, but noted the testing plan seemed a sensible approach to the Commission's audit to ensure it was completed on time.

## **7 G&A update report**

*ARAC (24-01) Paper 6 - G&A update - Feb 2023*

7.1 Kathryn Hughes welcomed the opportunity to share some highlights captured on the Governance and Assurance update report.

7.2 To inform the overall Governance Statement, a challenge session had been arranged for 7 March, to provide independent challenge and scrutiny of the Director statements. Both Bob Evans and Mark Egan would be in attendance.

7.3 Further to a request from the Commission to insource all of the Commission's contracts, the Head of Procurement was leading on an exercise to determine its feasibility and practicality.

7.4 The Chair questioned the decision to outsource the pensions administration service, which was currently calculated in-house.

7.5 During the procurement process for the replacement of the Payroll and HR system, it became evident the pension administration element needed to be removed otherwise the core elements of the system could be compromised. A separate work flow was agreed and a tender was issued in December 2023.

7.6 Kate assured the Committee that the full implications had been documented and agreed by EB. She was aware that the current system was high risk for the Commission, with the reliance on a number of spreadsheets which were unable to be migrated to SharePoint due to their interdependencies. She confirmed that it was only the benefit calculations element that would be outsourced and that all enquiries would continue to be handled by the Pensions Team.

7.7 With the imminent departure of Victoria Paris, Arwyn Jones had taken on the responsibility for preparing the Senedd Commission's annual report. Articles for the narrative had been commissioned and the timeline had been agreed.

## **8 Finance update**

### *ARAC (24-01) Paper 7 - Finance Update*

8.1 The Committee noted Kate's update and specific reference was made to the following:

- An assessment of projects by the Portfolio Management Group (PMG) had scored 46 projects at the start of 2023-24 for potential delivery in 2023-24. 14 projects were scored as critical and were funded in Tranche 1. Eight projects were complete, alongside five currently in progress, with one in the final stages

of procurement. Further consideration was underway of those projects that could be broken down into 'chunks' to manage spend.

- Kate attended all IRB meetings on behalf of EB. She provided background on how the Independent Remuneration Board (IRB) budget was part of the overall Commission budget, but was ringfenced to cover the Determination. The Finance team supported the IRB by preparing calculations and costings for their work. She also confirmed any overspend of the Determination in theory would have to be funded from the Commission's operational budget.
- Targeted start dates within recruitment had delivered additional benefits including enabling the HR team to manage workloads and recruiting managers to plan for their new staff. Targeted start dates would continue as the tightening of the public economic environment requires the required staff churn to be managed to deliver the release of £1 million in staffing budgets to balance the overall budget.

8.2 The Committee congratulated the Finance team on their prompt payment of suppliers, currently calculated at 3.36 days.

8.3 In answer to a question about the method used for prioritising projects, Kate explained that scoring of projects was undertaken by the Portfolio Management Group (PMG). This is chaired by Kate and comprises staff from across the organisation who scrutinise business cases and recommend projects to EB for approval to move forward. Scoring criteria included improving Senedd business, increasing engagement, delivering strategies etc. Kate acknowledged that the scrutiny and recommendations of projects and how they were progressing was an area that continued to be developed. This sits alongside work around understanding the resourcing requirements of those projects as part of service planning.

8.4 Ensuring funding of maintenance works was priority for EB in 2024–25, following some issues in December and early January.

8.5 Kate also noted the decision by EB to utilise any remaining surplus for critical infrastructure issues such as ICT that could be delivered before the end of March 2024 along with projects that could be pulled forward and delivered in 2024–25.

8.6 Chair requested that the Savings 2024–25 budget paper be circulated as committee members had difficulty with the link provided.

8.7 The Committee welcomed this information.

## **9 Annual Review of accounting policies**

### *ARAC (24-01) Paper 8 – Annual Review of Accounting Policies*

9.1 The review of external accounting changes had identified that there were no expected changes to the accounting standards in the accounting policies applied by the Commission for 2023–24. The Audit Wales audit of the Commission Annual Report and Accounts for 2022–23 recommended that a review be undertaken of the following:

- Useful Economic life of assets
- Capitalisation levels for assets
- Related party policy and process

9.2 As a result of this review, the asset life of some items had been amended and a review would be undertaken at the time of purchase.

9.3 The Committee noted this update and the proposed change to the Asset policy.

## **10 In-year report on data breaches and update on SIRO group**

### *ARAC (24-01) Paper 9 – Data Breaches*

10.1 Matthew Richards, Senior Information Risk Owner (SIRO) outlined the remit of the recently established SIRO group, which now had an agreed Terms of Reference. Matthew also informed the committee that he was chair of an Artificial Intelligence (AI) governance group, whilst Arwyn chaired an AI opportunities group.

10.2 Since December, when a briefing note on information breaches had been shared out of committee, Matthew highlighted further work undertaken by the Information Governance team on third party processors, and production of a series of mandatory data protection training videos for Commission staff, in order to further increase compliance across the organisation.

10.3 Mark Neilson, Head of ICT, was then invited to share further information on the Commission’s considerations of the use of Microsoft Copilot and ChatGPT, with internal checks underway before a period of testing Copilot on the Bing and Microsoft platforms.

10.4 The Committee welcomed this update and invited Matthew to the autumn meeting to update them on the SIRO group.

### ***Action***

Matthew Richards to provide an update on the SIRO group at the Autumn meeting.

## **11 Corporate Risk**

*ARAC (24-01) Paper 10 – Corporate Risk*

*ARAC (24-01) Paper 10 – Annex A – Summary Corporate Risk Register*

*ARAC (24-01) Paper 10 – Annex B – Corporate Risks plotted ARAC (24-01)*

11.1 The Committee made an observation on the number of risks presented, their increased complexity and the Commission's ability to manage such high prolife ones, especially when compared to January 2023, when significantly less risks were captured on the register.

11.2 Officials were acutely aware of the risks currently captured on the register, to which a thorough review and discussion had taken place at a recent EB meeting, so they were comfortable with the number of risks and their current rating.

11.3 The Committee were confident that officials would closely monitor these risks and requested an updated register at the next meeting.

## **12 Departures summary**

*ARAC (24-01) Paper 11 – Departures summary*

12.1 The Committee noted one departure from normal procurement procedures and raised no concerns.

## **13 Committee's effectiveness survey – content and timings**

*ARAC (24-01) Paper 12 – effectiveness survey and timetable*

13.1 The Chair requested that Committee members consider this out of committee and share any comments with the Clerking team.

## **14 Forward work programme**

*ARAC (24-01) Paper 13 – Forward Work Programme*



14.1 The forward work programme was considered by the Committee and they requested a private session with the interim Head of Internal Audit, to be arranged for the May meeting.

## **15 Budget Process**

### *Oral item*

15.1 Kate described the budget process in detail and the timeline of laying the budget in September and the scrutiny sessions that follow in October and November. She also explained that 2024–25 was a transition period with the intention for service plans, interdependencies between service areas and the resources framework informing the budget process in future years.

15.2 The Committee agreed that their focus should be on the budget setting process and the creation of the 3 year plan (rolling budget). This could best be achieved by an annual review of the previous budget round at the Winter ARAC meeting.

### *Action*

- Clerking team to add budget process update (3 year rolling budget) to the forward work programme for 2025.

## **16 Ways of Working – Corporate update**

### *Oral Update*

16.1 Ed Williams updated the Committee on the Ways of Working programme. Two new risks had been added to the corporate risk register since the November meeting and he described the ongoing activity of Siambr 2026, Tŷ Hywel 2026 and Cardiff Bay 2032. It was a complicated period in the programme with the sequencing of decisions needing to be taken at pace whilst also keeping user groups informed of progress.

16.2 The Llywydd was fully engaged with the activities of the programme and communications with party leaders, party groups and the Welsh Government was ongoing.

16.3 Officials noted a suggestion made by the Committee that whilst the Senedd Siambr was being adapted and the Tŷ Hywel Siambr was in use, that a limit on the

number of Members attending be put in place, to save on costs. The current planning assumption was that the adaptations for Siambr Hywel would accommodate all 60 Members of the Senedd.

16.4 Everyone was aware of the future media coverage that would come with every decision and the team were prepared for this challenge. The Committee commended the team for what appeared to have been a very successful communications campaign to publicise the start of the building projects.

16.5 The Committee requested to be kept up to date at each key point and a further update would be scheduled for the May meeting.

## **17 Senedd Reform – Corporate update**

### *Oral Update*

17.1 Siwan led a discussion on Senedd Reform, that focused on the political risks currently at play, commentary on the reform model, and resourcing of the overall programme.

17.2 The Committee thanked Siwan for an informative discussion and welcomed any updates in between meetings.

## **18 Communications and Engagement strategy**

*ARAC (24-01) Paper 14 – Communications and Engagement Strategy Sixth Senedd – March 2022*

*ARAC (24-01) Paper 15 – Communications and Engagement Strategy Sixth Senedd – Halfway review*

18.1 Menai Owen Jones had previously agreed to work with Arwyn on a review of the Communications and Engagement Strategy at the half way point of the current Senedd term. After a positive discussion with Arwyn's team, Menai highlighted a number of achievements and noted that since a restructure of the directorate in 2021, there had been greater cross working within it.

18.2 Overall, Menai welcomed this opportunity to review the work of the team and observed the improved collaborative working between the Communications team and

the Business Directorate, notably within the Policy and Legislation Committee Service (PLCS). She thanked Arwyn and the team for their time.

18.3 Arwyn in turned thanked Menai for her work and her positive comments. He felt that the timing of the review was beneficial for his team to stop and take stock, given the continued work of the service on the two large scale programmes currently underway i.e. Senedd reform and Ways of Working, which were considered business as usual for his team. Arwyn also noted that, when surveyed, Members had not perceived an increase in public engagement with the various outputs from Committee work, and this remained an area of focus for Arwyn and his team.

18.4 The Committee ended the discussion by suggesting that focus be given to internal communications and agreed for an update on the review of the Communications and Engagement Strategy be added to the forward work programme for February 2025.

#### ***Action***

- The Clerking team to add an update of the Communications and Engagement Strategy to the forward work programme for 2025.

## **19 Critical examination of one identified corporate risk or topical issue**

### **Oral Update**

19.1 A brief discussion was held on the impact of political decision-making on Commission business. The Committee agreed to revisit this item at the May meeting.

#### ***Action***

The Clerking team to add the impact of political decision-making to the 3 May agenda.

## **20 Any other business**

20.1 No other business was raised.

Manon Antoniazzi, Chief Executive and Clerk of the Senedd, and Accounting Officer and Ed Williams, Director of Resources attended a private session with members of the Committee once formal proceedings had concluded. No other Commission officials were present and no minutes were taken.

Next meeting is scheduled for 3 May 2024.

