Concise Minutes – Senedd Commission Audit and Risk Assurance Committee

Meeting Venue:

4B Tŷ Hywel/Teams

Meeting date: Monday, 8 July 2024

Meeting time: 10:00-12:30

Attendance

Category	Names
Members of the Senedd:	Bob Evans, Independent Adviser and Committee Chair Hefin David MS, Senedd Commissioner and Committee Member Menai Owen-Jones, Independent Adviser and Committee Member Dr Mark Egan, Independent Adviser and Committee Member
Others:	Dr Aled Eirug, Independent Adviser
Commission Staff:	Manon Antoniazzi, Chief Executive and Clerk of the Senedd, and Accounting Officer Ed Williams, Director of Senedd Resources Arwyn Jones, Director of Communications and Engagement Sian Wilkins, Interim Director of Senedd Business Kate Innes, Chief Finance Officer Lee Glover, Director, Validera and Head of Internal Audit Clare James, Audit Wales

Senedd Cymru
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	Kathryn Hughes, Committee Clerk, and Risk and Governance Manager
	Buddug Saer, Deputy Committee Clerk
	Phil Boshier, Interim Head of Governance
	Matthew Richards, Head of the Legal Service (items 6 onwards)
	Leanne Baker, Chief People Officer (items 6 onwards)
	Bedwyr Jones, Head of ICT Programme (item 6)

1   Introductions, apologies and declaration of interests

1.1 The Chair welcomed everyone to the meeting and noted apologies from Anthony Veale, Audit Wales, Uzo Iwobi, Independent Adviser and Yvonne Jennings, Senior ICT Project Manager.

1.2 No interests were declared.

2   Minutes of 10 June, actions and matters arising

ARAC (24-04) Paper 1 – Summary of actions

2.1 The Committee noted that the minutes of the 10 June meeting would be circulated for comment out of committee.

2.2 The Committee noted the progress against actions from the previous meeting.

3   Consider the internal audit report on project and programme governance

ARAC (24-04) Paper 2 – Internal Audit Report on Programme and Project Governance

3.1 The Chair welcomed Lee Glover, Head of Internal Audit to the meeting.

3.2 Lee presented the report on the recent audit of programme and project governance. He highlighted a recommendation to formalise reporting on both the Senedd Reform and Ways of Working programmes at Committee meetings. He noted

that, whilst it was positive that oral updates on both programmes were presented at each Committee meeting, no paper work was being produced to allow time for scrutiny in advance. As best practice, he suggested regular presentation of timelines and programme risk registers to the Committee.

3.3 The Committee welcomed this report. In relation to the recommendation of formalising reporting on both programmes to the Committee, its members noted they had been satisfied with the extensive oral updates provided at each meeting. They also considered the updates captured on the Corporate Risk Register to be part of formal reporting to them for both programmes. However, they could see the benefit of receiving reports documenting progress to enable scrutiny in advance.

3.4 Committee members also asked officials to consider making programme risk registers available to them; these could be saved in the Committee members' library. They also recommended that progress on the management of the related corporate risks was presented in a way which highlighted the changes from prior reports.

3.5 There was further discussion on reporting arrangements for both programmes, as captured under item 7: governance structures.

Action

- Officials to present proposals for sharing programme progress reports and risk registers with the Committee.

4   Consider final External Audit opinion (ISA 260 Report) for the financial year 2023-24

ARAC (24-04) Paper 3 – ISA 260 Report

4.1 Audit Wales presented the final ISA 260 report. All outstanding issues had been completed and the audit opinion remained clean and unamended.

4.2 Clare James paid tribute to the Finance team for their co-operation and both she, and the Chair highlighted the good working relationship between both parties.

5 Consider the Commission's Annual Report and Statement of Accounts 2023-24 and recommend the signing of the accounts

ARAC (24-04) Paper 4 – ARA 2023-24 – cover paper

ARAC (24-04) Paper 4 – Annex A – ARA 2023-24 (E)

ARAC (24-04) Paper 4 – Annex A – ARA 2023-24 (E)

5.1 Arwyn Jones presented the final version of the Commission's Annual Report and Accounts and thanked the Committee for its comments. He then set out the various version that would be available to the public and the tools to be deployed to monitor readership.

5.2 The Committee were impressed with the presentation of the report and Arwyn recorded his thanks to the Branding team.

5.3 The Committee recommended to the Accounting Officer that the financial statements for 2023-24 should be signed. An electronic signature would be added before laying and publishing the report.

6 Corporate Risk

Oral item

6.1 The Committee had requested an update on the Commission's use of Artificial Intelligence (AI) and the management of associated risks as well as an update on the People and Remuneration (PAR) project (replacement HR/Payroll system). Matthew Richards, Leanne Baker and Bedwyr Jones joined the meeting for this item and the following updates were provided.

Artificial Intelligence (AI)

6.2 Matthew reminded the Committee of the two groups which had been established to manage the use of AI: the AI Governance Group (AIGG), of which he was the chair; and the AI Opportunities Group which was chaired by Arwyn. Both groups had cross-cutting membership at senior levels. Matthew and Arwyn outlined the key risks and

issues being considered by these groups which included the accuracy, cyber-security, transparency and personal data aspects of using generative AI to create new content.

6.3 Matthew and Arwyn stressed that the Commission's approach to rolling out the use of AI was cautious to ensure there was robust governance and risk management in place. They also highlighted the following progress against actions:

- development of a Commission AI policy for consideration by the Executive Board and TUS;

- development of a new AI corporate risk, which was due to be approved by the AIGG before being presented to the Executive Board, and an AI risk register;

- ongoing thorough testing of Co-Pilot for MS365;

- ongoing discussions with Members of the Senedd and consideration of a separate policy for them and their staff;

- ongoing discussions with other bodies including UK parliaments, the ICO and the Centre for Digital Services; and

- consideration of the opportunities that the use of AI presented to Commission services such as translation, research and communication and engagement, particularly as there would be an additional 36 Members using services.

6.4 The Committee discussed the difference between the use of Co-Pilot for Bing which used data available on the internet, and Co-Pilot for MS365 which would include the use of Commission data and therefore had implications, including those around ensuring the safe use of personal data. Matthew outlined the ongoing programme of testing which would be evaluated by the AIGG, a report on which would be presented to the Executive Board.

6.5 The following points were also covered in response to questions from Committee members:

- ongoing discussions and the incorporation of areas such as data retention, copyright, and principles around ethics (the human impact), sustainability (such as the need to build data-centres) and equality into the AI policy and an AI risk register;

- communication with Members of the Senedd on their expected and/or intended use of AI, particularly around effective governance and risk management;

- consideration of the ways in which Members of the Senedd and their staff might access Commission data when using Co-Pilot for MS365;

- consideration of the drivers for using Microsoft products versus alternative products;

- training for all users on the use of generative AI which would include guidance on how to ask for information;

- availability of Welsh language and the offer of providing data to Microsoft to facilitate Welsh to English translation (English to Welsh was already available and used by other organisations), and how the Commission was working with universities and other institutions in the Welsh public sector on the development of Welsh-language provision on AI;

- collaboration with TUS on the human aspects of using AI, including through the Partnership Forum and representation on the AI groups;

- the ways in which the Commission's Translation and Reporting service had embraced machine translation over recent years with efficiencies leading to the adaption of services and working practices which had safeguarded jobs; and

- development of a vision for the use of AI, and the opportunities it presented, once the governance on its use had been established.

6.6 The Committee endorsed the cautious approach being adopted by the Commission and the focus on robust governance and risk management before rolling out the use of AI. The Chair requested an update at a future meeting.

Action

- Officials to provide a further update on the use of AI to the Committee at its February meeting.

HR/Payroll system project

6.7 Bedwyr Jones described the current position of the project to replace the HR/Payroll system, which was broadly on track against the plan. It had been

challenging to ensure that the supplier's team gave sufficient attention to the Senedd project against other clients but the project manager would be meeting with the supplier's account manager in the coming weeks to resolve any outstanding issues. Discussions with other UK legislatures, who were also using the same mainstream supplier, were proving valuable and officials were confident that the project would be delivered on time. Officials would also continue to press for ongoing dialogue with the supplier to ensure their commitment to the project plan and the level of support outlined in the contract.

6.8 The User Acceptance Testing phase would start during the summer recess to test the core components of the system; concentrating in particular on the payroll elements. Resources across the Commission had been arranged for this phase and discussions with the supplier for their part in the testing were ongoing.

6.9 The signing of the contract for the pensions administration element of the system was imminent after resolving issues with the supplier.

6.10 The Committee thanked Bedwyr for the update and asked for a further update in September.

Action

- Officials to provide a further update on progress with the People and Remuneration project to the Committee by mid-September.

7 Governance Structures

ARAC (24-04) Paper 5 – Managing Change

7.1 The Committee welcomed the update from Phil Boshier on the enhanced governance structures being put in place.

7.2 Phil explained that the Terms of Reference for the Senedd 26 Change Board had been approved at a recent Executive Board meeting. The current Senedd Reform Programme Board was being reset into a Seventh Senedd (7S) Programme Board. The Terms of Reference for, and membership of, both the 7S Board and the Ways of

Working Programme Board would be reviewed by the Senedd 26 Change Board, which maintained strategic oversight of both programmes.

7.3 Phil provided assurance to the Committee that the governance of programme was in line with public sector best practice such as Managing Successful Programmes (MSP).

7.4 In response to requests from Committee members around the reports it might receive, officials agreed to consider sharing reports and dashboards presented to, or produced by the Senedd 26 Change Board and making risk registers available. It was agreed that proposals would be presented to the Committee – an action on this is captured under Item 3.

7.5 The Chair requested an update on how the new governance structure were working in practice at the November meeting.

7.6 Kate added that the fuller internal audit review of programme and project governance, due to take place during the year, would provide additional assurance to the Committee.

Action

- Officials to present an update on programme governance structures at the November meeting.

8   Forward work programme

ARAC (24-04) Paper 6 – Forward Work Programme

8.1 The Committee noted the forward work programme which would be updated to include new items raised during the meeting.

9   Any Other Business

AOB

Item 9 – Any other business

9.1 The Chair reminded the Committee that he would be presenting its annual report at the Commission meeting on Monday 15 July.

9.2 No other business was raised.

Next meeting is scheduled for 18 November 2024.