

Management Board

Meeting Venue: **Conference Room 4B – Tŷ Hywel**

Meeting date: **Monday, 22 February 2016**

Meeting time: **12.30 – 15.00**

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



Minutes: MB (02-16)

Committee Members:

Claire Clancy (Chief Executive and Clerk) (Chair)
Adrian Crompton (Director of Assembly Business)
Anna Daniel (Head of Strategic Transformation)
Non Gwilym (Head of Communications)
Elisabeth Jones (Director of Legal Services)
Mark Neilson (Head of ICT)
Mair Parry-Jones (Head of Translation and Reporting Service)
Kathryn Potter (Head of Research)
Mike Snook (Head of People and Places)
Craig Stephenson (Director of Commission Services)
Dave Tosh (Director of Assembly Resources)
Chris Warner (Head of Policy and Legislation Committee Service)
Siân Wilkins (Head of Chamber & Committee Service)
Lowri Williams (Head of HR)
Gareth Watts (Head of Governance and Audit)
Keith Baldwin (Independent Adviser)
Kathryn Hughes (Risk and Governance Manager)

Committee Staff:

Liz Jardine (Secretariat)

1 Introductions, apologies and declarations of interest

There were no apologies and no declarations of interest.

2 Communication note to staff – Kathryn Potter

Kathryn Potter would draft a note of the meeting discussion for the staff news page.

3 Objectives for the meeting

Claire Clancy welcomed Keith Baldwin to the meeting, who was attending to provide independent challenge on the assurance statements. As part of his role as a member of the Audit and Risk Assurance Committee, Keith's involvement added further assurance to the Commission on the governance statement process and, in particular the quality of Directors' assurance statements.

The meeting would form an important element of the process for gathering the assurances that Claire, as Accounting Officer, needed for the production of the Governance Statement for 2015–16.

The purpose was to ensure that the draft Directorate Assurance Statements identified key achievements against the Commission's strategic goals, focussing on any key corporate achievements; provide evidence of awareness of, and compliance with governance principles, rules and procedures and the effectiveness of the governance arrangements; demonstrate effective management of risks; and show progress against areas for improvement highlighted in last year's Governance Statement and how the delivery of service plan objectives has been monitored.

Copies of the statements from the Directors, which drew upon the individual assurance statements from each Service area, had been circulated prior to the meeting.

The key outcomes for the meeting were to:

- determine what was of corporate significance from the Directorate Assurance Statements that should be highlighted in the Governance Statement;
- assess the Board's confidence about the extent to which delivery against the corporate priorities is being achieved; and

- consider whether the governance tools that are in place, such as risk management and service plans, were enabling service areas to deliver on the priorities and drive improvement.

A detailed note of the discussion is at **Annex A**.

5 Summary and next steps

The meeting had provided a very positive contribution to the process and Claire thanked everyone for the work that had gone into preparing for the next Governance Statement.

A note of the meeting would be circulated to Management Board, and, once finalised, would feed into the Governance Statement. The note would also outline actions to be taken forward and where further input was needed.

Annex A

Note of discussion on Governance Statement 2015–16

1.0 Introduction

Attendance at the meeting is captured in the formal minutes.

2.0 Examine the effectiveness of the Assurance Framework components

The Assurance Framework was a structured means of mapping the assurance processes within the organisation and had been used by Heads of Service as an aide memoire in the preparation of their individual statements, to help identify any gaps, weaknesses or duplication in the assurances. Having it captured in this way also provided a means of measuring performance against the Framework.

The Board reviewed the Framework and the RAG status of assurance map components. Keith Baldwin recommended that it was of particular importance to have confidence in the first lines of defence. The Board considered three components that had previously been identified for strengthening and agreed that:

- Service plans were being used and reviewed effectively as evolving documents that staff understood (change to Green status);

- there had been a big improvement in the PMDR process with the introduction of the emphasis on behaviours, but another round of reviews would ensure that this was embedded (retain current status); and
- there was still further work to do on programme and project governance (retain current status).

In response to challenge from Keith on the evidence for making any changes to RAG status, Claire clarified that the discussion had taken account of evidence based on analysis of the more detailed service-level assurance statements and analysis of the assurance mapping exercise.

The Board also agreed that there were aspects of assurance in place that were not captured in the framework. This included ongoing internal scrutiny, or informal audits (for example, quality assurance on PMDRs) by Service Heads, including using the business analysts. Further assurance was also provided by the work of the Remuneration Board, Pension Trustees, Standards Commissioner etc. There were also inter parliamentary links that contributed to challenge and assurances around the robustness and effectiveness of governance arrangements.

Additionally, the process of annual reporting on Official Languages compliance and sustainability were substantial areas of work that provided further assurances on accountability and the Public Accounts Committee, Finance Committee, monthly Commission questions and debates provided a strong level of scrutiny to the organisation.

Actions:

Gareth Watts/Kathryn Hughes to investigate the addition of the annual reporting and Committee/Member scrutiny and update framework as appropriate. Amend diagram to include (service audits in the first line of defence and Remuneration Board etc. in the third line of defence as discussed.

Management Board to consider what action can be taken to move the components to green status.

3.0 Discussion of draft Directorate Assurance Statements

This year the Board was scrutinising the Assurance Statements prepared by the Directors, having considered the statements from their respective Service Heads.

The Directors outlined the key points from their statements.

Commission Services Directorate Assurance Statement

Craig Stephenson highlighted strengths in the following areas:

- working with other services to prepare for the next Assembly;
- outcomes of the Record of Proceedings review being driven by customer views;
- pioneering the inter-parliamentary network to inform the review of the CPD programme;
- review of Welsh language teaching provision;
- continuing external recognition, showing modelling of good practice;
- promoting the work of the Directorate more, particularly that of Translation and Reporting Service (language technology);
- internally, more engagement with teams on capacity planning; and
- raising awareness on information governance.

Some areas for further improvement included embedding and refreshing understanding of information governance rules with teams and embedding language plans. The frequency and depth of risk reviews in TRS had been increased due to the amount of change in that area. Overall, Craig had no major concerns within his Directorate.

Keith Baldwin gave his observations on the assurance statement, acknowledging the key achievements on the strategic goals and recommended clarifying how structures added to assurance and adding further specific examples of compliance and good governance in the financial year.

Assembly Resources Directorate

The Resources Directorate was a relatively new Directorate, but Dave Tosh felt that there was a good level of compliance, highlighting improvements and areas for further work as follows:

- HR had moved to a more proactive service and the appointment of HR Account Managers was working well;

- risk management was becoming more formalised, particularly corporate risk with, for example, constructive ‘deep-dive’ discussions at ACARAC for specific risks, including capacity planning;
- better understanding of resource needs and improved flexibility through effective capacity planning;
- Business Continuity needed further impetus, with training for co-ordinators and a repeat incident management exercise, possibly involving Assembly Members, early in the Fifth Assembly;
- consideration of governance and assurance challenges presented by changes of Presiding Officer, Commissioners and Chief Executive;
- greater focus on efficiency and effectiveness informed by the Business Efficiency Review; and
- work on development of a new set of corporate performance measures.

Keith Baldwin commented that the statement was clear and addressed topics well. It also clearly outlined what needed to be done in 2016–17, including an emphasis on Business Continuity and, in relation to the amber RAG status on the Assurance Framework, a focus on project management. In response, Dave described how learning from the project and programme management approach was being applied to the launch of the My Senedd programme.

The Board also recommended including in the statement the stay safe work undertaken by Security.

Financial Services

Nicola Callow outlined progress in achievements, concerns and areas for continued improvement, as follows:

- basic controls in place were working well, with the service now fully staffed;
- finance reports were being produced more quickly, with better financial information to facilitate IRB decision making and improved briefings for PAC, Finance Committee and on pensions;
- interim accounts for the year had been produced successfully and some concerns around the final accounts process and the change of Auditor were being addressed;

- business continuity, information assets and language plans were established but needed further embedding;
- clear improvements in capacity planning, whilst recognising the need to align this with timings in terms of budget planning; and
- pensions information and assurance to be developed further, as with work done on key financial controls and finance systems to ensure they were as smooth, effective and efficient as possible.

Keith Baldwin acknowledged the good evidence of assurance given. However, he recommended: revisiting the structure of the statement; clarifying progress against areas identified for strengthening in last year's Governance Statement; sharpening examples on the strategic goals; and outlining management of the key service risks.

Assembly Business Directorate

Adrian Crompton highlighted the strengths and improvements in the Directorate along with areas for development, as follows:

- there was a strengthened Strategic Transformation team, including successful recruitment of staff with project management skills and experience;
- excellent handling of constitutional change issues and the substantial work with the Remuneration Board;
- better integration of leadership within the Directorate, following the model of integrated teams, whilst recognising that there was further work to do on integration across the organisation;
- development work included ensuring sufficient time was devoted to consideration of issues presented to IRB; maximising the value from internal audit; improving performance measures; and the challenges around the level of change in the forthcoming year.

Adrian also made reference to the effective management of corporate risks around political and constitutional change, and decisions of the Remuneration Board, as demonstrated in his statement and in the points above. He also referred to the value added by internal audit in providing assurance on key processes and systems.

Keith Baldwin noted the good story around key achievements and awareness of governance, to include in the final Governance Statement. It was agreed there could be more explicit reference to delivery against the strategic goals, management of risks and effectiveness of governance arrangements.

Legal Services Directorate

Elisabeth Jones explained that Legal Services was smaller and less complex than other Directorates and its achievements, focussed on providing outstanding parliamentary support, were shared with other service areas. She described how she provided assurance directly to Claire on a continual basis through regular discussions.

Elisabeth also outlined the improvements, which were more iterative than step-change, for example, embedding of the PMDR process. Areas for further development included progression of the training programme, raising the profile of the service with Members and reviewing the structure to ensure integrated services were provided.

Keith Baldwin recommended addressing specifically the effectiveness of governance principles in the statement. He also suggested that the structure of the statement could be improved by following the four areas identified in the guidance.

Overall comments

Keith Baldwin was invited to reflect on the assurance statements and process. He felt the Directorate statements had worked much better than service level in bringing the information together for the Governance Statement. There was strong evidence of achievements and good governance, with a focus on internal controls, which were relevant to include in the final Governance Statement. The analysis provided had also been very useful. He suggested that areas to consider were:

- statements should follow a consistent structure to make it easier to ensure all areas were covered;
- consider the achievements in the light of those appropriate for the Governance Statement;
- illustrate better, with examples, to show reasons for being satisfied with assurances;
- directly demonstrate progress against areas identified for improvement in the 2015–16 Governance Statement;

- address clarity of effectiveness against governance principles as well as awareness; and
- make more reference to the Assurance Framework.

4.0 Next Steps

Action to finalise Assurance Statements

Each Director would finalise their statements, adding or redrafting as necessary, including sufficient examples and ensuring properly evidence based.

Claire Clancy, together with the Governance team would then review the statements to decide what should go into the Governance Statement, picking up on areas emphasised in the Directors' presentations.

The Governance Statement should present a full balanced view of progress on areas for strengthening identified in the 2015–16 statement, including business continuity and project and programme management. The list in the analysis (paragraph 4) should be used as a starting point for achievements of corporate significance. It should also include more internal focus on achievements, such as capacity planning, effectiveness of internal audit, the Assurance Framework and information governance; etc.

The Governance Statement would need to be finalised by July. Kathryn Hughes would send confirmation to the Board of what needed to be done with deadlines.

5.0 Summing up

Dave Tosh would look at the structure and guidance for the following year's Directorate level assurance statements, keeping a degree of flexibility to facilitate efficiency in preparation.

Finally, thanks were given to Kathryn Hughes and Gareth Watts for their work in preparing for the meeting, to Keith Baldwin for his input to the process of challenge and to Board members for their contribution to the evidence gathering process.