

Senedd Commission Audit and Risk Assurance Committee: Annual Report 2020-21

July 2021



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Introduction

1. The Senedd Commission's Audit and Risk Assurance Committee¹ (the Committee) is pleased to present this report on its work for the year ended 31 March 2021.
2. The report focuses on the Committee's work in relation to the Commission's frameworks for risk management, internal control, governance and assurance. It outlines: the remit of the Committee; the work undertaken and associated findings and observations; the Committee's proposed focus for 2021-22; and its overall conclusions.
3. As this is the fifth and final report for the Fifth Senedd term, it includes an overview of coverage over the period and how the Committee has evolved.
4. 2020-21 has been an exceptional year due to the Covid-19 pandemic. The Commission's response to the pandemic has also been exceptional, demonstrated by its success in enabling and supporting Senedd business in agile, responsive and innovative ways. Further details on the impact of the pandemic are included throughout this report. We are pleased to report that there has been no disruption to the formal proceedings of this Committee during the year with all planned meetings going ahead as planned in a virtual format.

Role and membership of the Committee

5. The Committee supports the Commission and the Accounting Officer with regard to their responsibilities for risk management, internal control and corporate governance. It acts in an advisory capacity and has no executive powers. It provides advice on the comprehensiveness, reliability and integrity of assurances, including from internal and external audit. This includes reviewing accounting policies and the audit of the Commission's Annual Report and Accounts, including the governance statement. The Committee's Terms of Reference (**appendix 1**) and **forward work programme** are produced in accordance with HM Treasury guidance.

¹ The full name of the Committee changed to the Senedd Commission Audit and Risk Assurance Committee in May 2020 to reflect the change in name of the institution.

6. As part of its role in reviewing audit activity, the Committee also assesses the independence of external auditors. The Committee receives assurances on this from Audit Wales through the submission of the Annual Audit Strategy which contains a section on independence. This is further explained by Audit Wales representatives at the relevant Committee meeting. Also, included in the Committee's work programme is an annual private session with Audit Wales where further discussions about the external audit process can be held. This is in addition to the discussions of the process during the formal meetings. Additionally, there are opportunities for representatives from Audit Wales and the Commission's Director of Finance to debrief the Committee after the annual lessons learned session held between the Finance team and the external audit team.
7. The Committee's **current membership** (a Commissioner and three Independent Advisers, one of whom is the Chair) is outlined below and is published on the Commission's website.
- Robert Evans, Chair and Independent Adviser
 - Suzy Davies MS, Commissioner (last meeting June 2021)
 - Ann Beynon OBE, Independent Adviser and Committee member
 - Dr Aled Eirug Independent Adviser and Committee member.
8. The following also attended Committee meetings during the year:
- Manon Antoniazzi – Chief Executive and Clerk (the Commission's Accounting Officer);
 - Nia Morgan – Director of Finance;
 - Dave Tosh – Director of Senedd Resources;
 - Siwan Davies – Director of Senedd Business;
 - Arwyn Jones – Director of Communications and Engagement;
 - Gareth Watts – Head of Internal Audit / Head of Governance and Assurance;
 - Ann-Marie Harkin – Engagement Lead, Audit Wales;
 - Gareth Lucey – Audit Manager, Audit Wales;
 - Steve Wyndham – Audit Manager, Audit Wales;
 - Kathryn Hughes – Risk and Governance Manager; Committee Clerk;

- Buddug Saer – Deputy Committee Clerk; and
- Ryan Bishop – Deputy Committee Clerk.

Other Commission officials also attended meetings as required.

9. Having a Commissioner as a member of the Committee provides valuable political insights to its considerations, in particular around the Commission's financial and budgetary scrutiny and its risk profile. It has provided a link to the Commission with updates provided to them after each meeting of the Committee as well as sharing the minutes. It has also been extremely useful to hear first hand feedback from appearances at scrutiny sessions of the Senedd's Public Accounts and Finance Committees from a Commissioner's perspective.
10. The Committee publishes its meeting minutes on the Commission's [website](#). The Committee Chair also attends a meeting of the Commission to present the Committee's Annual Report before the end of the summer term.

Summary of activity and considerations

11. On 23 March 2020, a UK wide lockdown was announced in response to the Covid-19 pandemic and as a result, the Committee held each of its five meetings during 2020-21 virtually. This resulted in minimal impact on coverage of the Committee's forward work programme with standard agenda items, and other items continuing to mirror the responsibilities and information requirements sections outlined in the Committee's Terms of Reference ([appendix 1](#)). Where decisions were made by the Committee that items would not be covered in the formal meetings, papers were circulated out of committee in a timely manner and members contributed with questions directly to officials. Where necessary this was followed up with the opportunity to discuss any points arising in the formal meetings.
12. Throughout the pandemic the Committee observed how the Commission has continued to demonstrate high standards of governance despite the challenging circumstances. Inevitably there was an impact on some of the traditional internal audit activity, as outlined in the Findings and Observations section of this report. However, the Committee was kept well informed on the adaptation of plans and has endorsed the approach to prioritisation of audit resource on providing real-time assurances on areas of significance in response to changing circumstances.

13. The Committee was provided with detailed updates on the Commission’s response to Covid-19 throughout the period and was active in monitoring and reviewing the alternative arrangements being put in place as well as the HR and staff wellbeing impact. The Committee maintained close oversight of the additional governance that had been, and continues to be effective in documenting decisions, lessons learned and plans for returning to the estate. Details of this can be found in the Commission’s Governance Statement published as part of its Annual Report and Accounts 2020-21².

14. The Committee acknowledges that, despite the challenging circumstances due to the pandemic, the Commission has delivered on some significant pieces of work during the reporting period. This has included the following, further details of which can also be found in the Commission’s Annual Report and Accounts³:

- supporting Members and the Senedd Committees on the scrutiny of a high volume of complex legislation, including for the UK’s exit from the EU and Covid-19;
- implementing aspects of change relating to Senedd Reform, including changing the name of the institution and lowering the voting age to 16;
- planning for transition to the Sixth Senedd, including supporting the introduction of emergency legislation to allow for a possible change to the date of the Senedd Elections and subsequent scenario planning to prepare for this;
- radical changes to engagement activity due to the pandemic; and
- launch of a new website after extensive consultation.

15. The Committee received regular updates both at formal meetings and out of committee on these and other key areas of work and provided constructive challenge, in particular on the associated risks.

16. In its review of the Commission’s Corporate Key Performance Indicator Report which is published as part of the Commission’s Annual Report and Accounts⁴,

² <https://senedd.wales/commission/commission-publications/>

³ <https://senedd.wales/commission/commission-publications/>

⁴ <https://senedd.wales/commission/commission-publications/>

the Committee noted that overall, despite the inevitable impact of the pandemic on some indicators, the Commission continued to achieve high standards of service and performance for delivering Senedd business.

17. Details of the Committee's role in terms of reviewing and advising on: the Commission's Annual Report and Accounts and external audit, including the governance statement; internal audit; risk management; and the assurance framework can be found in the Findings and Observations section of this report. It is worth highlighting in this summary that:

- there were no significant issues or recommendations emerging from the external audit of the Commission's accounts;
- the internal audit plan was adapted to focus on providing real-time assurance on Covid-related matters; and
- the Committee continued to monitor the Commission's corporate risks and movements in its risk profile, as well as reviewing the effectiveness of risk management processes.

18. The 'forward look' section of the Committee's 2019-20 Annual Report highlighted several areas in which the Committee would continue to take an active interest. Details of the Committee's consideration of some of these areas are outlined below, others are included in other parts of this report:

- evaluation of the lessons learned from the Commission's response to the Coronavirus (Covid-19)

Reviews of the Commission's response to the ongoing Coronavirus (Covid-19) situation have been carried out at each Committee meeting and this will continue as Commission staff, Members and their staff, other building users and visitors start to return to the estate. It will also continue to monitor the documentation of lessons learned and how these are applied.

- the management of the cyber-security risk including the testing of response plans

As well as receiving updates as part of the Corporate Risk Register at each meeting, the Committee carried out a deep-dive into the threats of cyber-attacks at its February 2021 meeting, combining this with its regular twice-yearly updates. There was also a substantive agenda item at the

November 2020 meeting. Further details on this can be found in the Risk Management section of this report. The Committee also reviewed an internal audit report produced in March 2021.

- preparations for the 2021 Senedd elections;

The Head of Commission and Member Support attended the Committee's June 2020 meeting and presented a detailed paper to inform discussion around the planning in place for the Senedd Elections and the transition to the Sixth Senedd. This was followed by attendance at the February 2021 meeting to provide an update. Updates were also provided at each meeting as part of the Corporate Risk Register. The Election and Dissolution guidance was also circulated to Committee members in February 2021.

- development of plans for improved external engagement and communications, including a higher profile and more responsive social media presence:

The Committee was updated on the development of a new strategy agreed in January 2020 to improve how the Senedd communicates and engages with the people of Wales and welcomed the stronger emphasis on digital content and social media. It also received updates on how implementation of the strategy had been adapted due to the pandemic, including a rapid shift to online engagement activity and educational resources relating to the Senedd 2021 Elections and votes at 16.

The Committee also welcomed the Commission's new website with its focus on the user's journey and improved navigation and search facilities and a new petitions website makes it easier for petitions to be created and signed.

19. In addition to the formal business of the Committee, its members also supported the Commission on the following during the year:

- attending a senior management team meeting to scrutinise and challenge the assurance statements provided by each Director for the Accounting Officer's Governance Statement (see Assurance Framework section for further details);
- recruitment to senior positions in the Communication and Engagement Directorate; and

- recruitment of the Chair and members of the independent Remuneration Board.

20. At each of its meetings the Committee is presented with a Governance and Assurance update. This includes important assurances and updates over a range of matters such as:

- assurance activity around the response to the pandemic, with the Head of Governance and Assurance leading an assurance workstream on a Return to the Estate (RTE) programme;
- the sharing of information on business continuity with an intra-parliamentary group;
- compliance with the Official Languages Scheme;
- participation in a virtual Wales-wide public sector Heads of Internal Audit Forum; and
- updates on areas of work covered by the Governance and Assurance team.

21. The Committee has also received regular updates on areas considered by the Commission's Remuneration, Engagement and Workforce Advisory Committee (REWAC) further details of which can be found in paragraph 66 of this report.

Findings and Observations

Annual Report and Accounts 2019-20 and external audit

- 22.** The Committee supported the production of the 2019-20 Annual Report and Accounts, which was published a month earlier than in previous years. This included advising on the Governance Statement.
- 23.** The Committee welcomed early presentation of the Financial Statements Report (ISA260) and Management Letter. This was a clean and straightforward audit with a high-quality set of accounts. There were no material matters or recommendations raised by the external auditors, and the Auditor General for Wales issued an unqualified auditor's report on the financial statements in July 2020.
- 24.** Due to the pandemic, this was the first year that the audit of the accounts had been completed remotely. The Commission worked with Audit Wales to agree solutions and the use of Sharepoint facilitated a smooth transition. This was all done whilst both organisations were dealing with additional pressures caused pandemic. This has resulted in praise from the Public Accounts Committee for producing such a clean set of accounts earlier than in previous years and during a pandemic. Further praise was received from the Finance Committee on the transparency of reporting financial information.
- 25.** The Committee appreciated the continued strong working relationship between the external and internal auditors through the 'joint working protocol'. The protocol, which is reviewed and presented to the Committee annually enables the external auditors to rely on Internal Audit's work.
- 26.** The Committee is pleased that, based on the successful arrangements of previous years, auditors were able to carry out interim audit work during February and March 2020, ahead of the full audit in May.
- 27.** The Committee will continue to work closely with the external auditors to ensure that the key financial systems and controls and the procedures supporting the accounts production process remain robust. The maintenance of the Audit Wales fee at the same level for the fifth year running reflects the Commission's competence in managing the accounting process and continuous improvement in working practices.

28. The Committee welcomed early sight of a draft Governance Statement for 2019-20 in April 2020 and considered this to be a robust statement and a true and honest reflection of the effectiveness of the Commission's governance arrangements over what was an extraordinary year. The Committee had received updates on areas identified in the previous year's Governance Statement throughout the year via reporting on the Commission's corporate risks, financial management and internal audit reports.

29. The Committee also welcomed early sight of the draft Annual Report and Accounts, including a draft Governance Statement for 2020-21 at its April 2021 meeting.

Internal audit

30. The Commission's Internal Audit service is managed by the in-house Head of Internal Audit who is responsible for all internal audit outputs. The Committee is pleased that internal audit has maintained a consistently high standard throughout the Commission combining effective coverage with flexibility in responding to unforeseen issues and supported by timely and constructive implementation of recommendations. The role is supported by one other qualified in-house internal auditor on a part-time basis and external assistance, currently provided by TIAA which helps to ensure the independence of the audit work.

31. The Committee acknowledges the disruption to audit work this year caused by the Coronavirus (Covid-19) outbreak, and the Head of Internal Audit's continued involvement in the leadership of the Commission's response. Internal audit activity was re-focused on providing real-time assurance on Covid-related matters. The limited number of formal audit reports produced throughout the year, as listed below were reviewed by the Committee. The Committee also received updates on progress against management's implementation of audit recommendations.

- Project Governance Internal Audit Report (formal audit - moderate assurance)
- Risk and issue management during the pandemic (formal audit - substantial assurance)
- Cyber Security (formal audit - moderate assurance)
- ICT Asset Management (formal audit - substantial assurance)

- 32.** The Committee welcomes the continued focus on management implementing internal audit recommendations. Assurances have been received from the Head of Internal Audit that all recommendations from previous years have been completed and that recommendations from 2020-21 have either been completed or are in progress.
- 33.** The Committee also noted assurances in the following reports presented by the Head of Internal Audit:
- a review of the Commission’s response to the Covid-19 pandemic carried out over the summer of 2020; and
 - data protection compliance in February 2021.
- 34.** One area which has not been taken forward as planned is the review of support to Senedd Committees. As reported in the Commission’s Governance Statement, it was agreed to incorporate this into planning for the Sixth Senedd so that it can take on board learning from the pandemic, the views and decisions made by the new Commission, Business Committee and Committee Chairs, and recommendations from a wider review of capacity.
- 35.** The Head of Internal Audit presented an Annual Report on Fraud to the Committee and reported that no cases of actual or suspected fraudulent activity were brought to the attention of Internal Audit in 2020-21. There were also no internal whistleblowing disclosures.
- 36.** The Head of Internal Audit’s Annual Opinion and Report for 2020-21 states that “... the Accounting Officer can take moderate assurance that arrangements to secure governance, risk management and internal control, are suitably designed and applied effectively”. The Committee considered the report to be a good assessment of work undertaken during the year and of the effectiveness of recommendations.
- 37.** That report also confirmed compliance with Public Sector Internal Audit Standards (PSIAS) and the Internal Audit Charter.
- 38.** The Committee is satisfied with assurances from the Head of Internal Audit that the level of resourcing committed to the Audit Plan remains sufficient, noting also the additional resilience provided by a member of his team becoming fully qualified. The Committee also receives assurances from the Head of Internal Audit and remains satisfied that independence of the role is protected with no conflict of interest in carrying out the audits.

39. The Committee welcomes the Head of Internal Audit's commitment to his continuing professional development and membership of professional networks, and in particular his close ongoing engagement with other UK legislatures.

Risk management

Review and reporting processes

40. The Committee continued to monitor the effectiveness of risk management processes and scrutinised the identification, severity and mitigation of key risks. The Committee welcomes the Commission's review of the Corporate Risk Register during the year, together with regular horizon scanning exercises and the consistent high quality of the risk reporting process.

41. The substantial assurance reported in an internal audit review of risk and issue management during the pandemic provides further evidence of the effectiveness of arrangements in the Commission.

42. Further details on the arrangements for, and the management of risks can be found in the Commission's Annual Report and Accounts.

Risk Profile

43. As well as reviewing the Commission's Summary Corporate Risk Register at each meeting, the Committee also undertook 'deep dive' reviews of individual corporate risks, or issues arising for which the relevant senior officials attended:

- Coronavirus (Covid-19) – the Commission's response (April 2020)
- Coronavirus (Covid-19) - emerging from lockdown (June 2020)
- UK Constitutional Change and EU Transition (November 2020); and
- Cyber-security (February 2021) – further details are included at paragraphs 48-52 below.

44. At its February 2021 meeting the Committee also considered detailed updates for the following substantive agenda items relating to corporate risks:

- Senedd Elections 2021 Transition - including planning for a possible change to the date of the Senedd Elections in May 2021.

- Compliance with Data Protection – this provided a gap analysis pending a formal audit to be included in the 2021-22 audit plan.

45.As a result of detailed scrutiny of these risks, the senior officials attending were able to provide further assurance to the Committee on their effective management.

46.The Committee has continued to take a keen interest in compliance with Data Protection legislation and welcomed the updates provided in the Corporate Risk Register and in the paper on compliance presented at the February 2021 meeting. The Annual Report by the Senior Information Risk Owner (SIRO) further bolsters assurance that information risks are being managed effectively. During 2020-21, there were no personal data loss incidents which required reporting to the Information Commissioner’s Office (ICO).

47.At the end of the reporting period, there were five corporate risks with a ‘red’ severity rating. The Committee believes that, along with cyber security, one of the most significant risks will continue to be that concerning the impact of, and responses to, political, legislative and constitutional change alongside delivering the Commission’s ambitious strategic priorities within financial constraints.

Cyber Security

48.The Committee noted the significant amount of work being done to continually mitigate cyber-security risks, and welcomes the assurances it receives through presentation of risk and internal audit reports and the regular briefings from senior ICT officials.

49.The Committee recognises that there have been particular challenges posed to ICT during the pandemic with an increasingly hostile external environment in terms of cyber-security threats. The Commission’s investment in Cloud services, the continued development of protective measures for its network, software upgrades and back up procedures have greatly enhanced the resilience of operations during the pandemic.

50.The Commission’s ICT service have confirmed that there were no cyber-security incidents that resulted in data breaches in 2020-21.

51. The Committee encouraged the Commission to remain appropriately focussed on cyber-security, including raising awareness with both new and returning Members and their support staff at their constituency offices.

52. Cyber-security will remain on the annual internal audit plan, and at the Committee's request, updates on the mitigation of cyber-security risks continue to be presented every six months.

Assurance framework

53. The Commission's Assurance Framework maps the operational, corporate and independent sources of assurance against internal processes, risks and systems for each service area. The framework is based on the HM Treasury 'three lines of defence' model and illustrates the overall strength of the Commission's sources of assurance and highlights potential vulnerabilities. This is routinely reviewed to validate arrangements and is used to inform drafting of annual service-level assurance statements.

54. A further layer of assurance was provided through attendance by the Chair of this Committee and one other member at the senior management team meeting to scrutinise and challenge the assurance statements provided by each Director to inform the Accounting Officer's Governance Statement.

Overview of Committee activity over the Fifth Senedd

55. Covid-19 and business as usual aside, the Fifth Senedd has seen a lot of change for the Commission, including a new Llywydd, Chief Executive and two new Directors. There have also been some significant achievements in which the Committee has taken a keen interest and received regular updates. This has included the following:

- Senedd Reform / Constitutional Change

Commission staff have successfully supported implementation of changes brought about by the Wales Act 2017 including new tax raising powers, changing the name of the institution, and lowering the voting age to 16. Alongside this, supporting transition on the UK's exit from the EU has been resource-intensive and required cross-organisational efforts.

- Engagement

Building on a strong foundation of activity to engage with the public and media, a Digital News and Information Taskforce was established to explore options for improvement. Its report published in 2017 formed the basis of a new strategy introduced in January 2020 to drive further improve communication and engagement. Resources have been

reorganised and expertise has been recruited to take this work forward. Commission staff also led on the establishment of the first ever Welsh Youth Parliament in 2018.

- Dignity and Respect

The adoption of a new policy in 2018 was an important milestone in a drive to ensure an inclusive workplace free from harassment. The Commission's policies have been updated in line with this and the new Code of Conduct for Members of the Senedd now includes a principle around respect.

56.The Committee has monitored these reforms closely to ensure the appropriate measures are in place to maintain sound governance, internal control and risk management.

57.Over the course of the Fifth Senedd (2016-21) the Committee membership has changed completely with the exception of Suzy Davies, MS/Commissioner who joined the Committee in 2016. Bob Evans and Ann Beynon joined the Committee in November 2018 and Bob was appointed as Chair in February 2019; Aled Eirug joined the Committee in April 2019. The outgoing Chair and members provided detailed reflections on their membership of the Committee at the end of their tenure.

58.The new members have brought a variety of knowledge and experience which has enabled fresh challenge to areas such as cyber-security, information governance and procurement. There has also been a change of Chief Executive and two of the three Directors.

59.There have been two Committee effectiveness surveys carried out, providing the opportunity for Committee members and officials to report anonymously on a range of categories and to suggest improvements. These have produced reassuring scores across each category. Recommendations for minor improvements were quickly implemented.

60.The private sessions with internal audit, external audit and the Accounting Officer have facilitated open and frank discussion of any issues or concerns and have helped to ensure relationships remain effective. This has been particularly important with the change of Committee membership, and change of Accounting Officer and external audit personnel.

61. The Terms of Reference for the Committee are based on HM Treasury guidelines: updates have included areas such as regular sharing of information on matters of strategic importance, wider public sector work carried out by auditors and reporting on areas considered by the Commission's Remuneration, Engagement and Workforce Advisory Committee (REWAC). Other changes have included the introduction of regular updates on areas such as cyber security, information breaches, and most recently the Commission's ongoing response to Covid-19.

62. The flow of information from Commission officials has been further improved. Examples include:

- links to formal Senedd proceeding such as scrutiny sessions at the Senedd's Public Accounts and Finance Committees;
- details of guidance issued to Members of the Senedd and Commission staff around the Election and dissolution;
- invitations to all-staff meetings to hear the messages to staff and questions and comments from staff;
- circulation of relevant newsletters, reports and updates published by bodies such as Audit Wales, National Audit Office and CIPFA; and
- minutes of the Commission's Remuneration, Engagement and Workforce Advisory Committee (REWAC).

63. Analysis of the areas covered by the Committee over the Fifth Senedd has shown a good balance of the traditional areas covered around audit, finance, risk and assurance, with other areas covered in-depth relating to the Commission's risk profile.

64. One area of particular focus over the term has been on cyber-security, given the ever-changing threat landscape. As outlined in this report, the Committee has welcomed the regular reporting and assurance in this vital aspect of governance and risk management and encourages a continued focus on mitigation of the threats.

65. In 2014 the Commission introduced a new Assurance Framework based on HM Treasury's three lines of defence model. The Committee has welcomed seeing how this has continued to evolve and has endorsed and encouraged its use. This has developed into a robust process for gathering assurance on the

effectiveness of governance arrangements at all levels across the Commission. Each year the Committee has also been presented with details of areas it has covered across the three-lines of defence which reinforces the view on an appropriate balance of coverage.

66.The remit of the Commission's Remuneration, Engagement and Workforce Advisory Committee (REWAC) includes consideration of matters associated with the strategic approach to engagement and workforce development. Ann Beynon is also a member of REWAC and over the past two years, she has provided regular updates to the Committee on its work. In October 2020, the Independent Advisers from both Committees attended a meeting with the Commission's Executive Board to consider a draft of the Commission's Strategy for the Sixth Senedd and how to improve the cooperation and flow of information between the two bodies. The minutes of the meetings of both Committees are shared with their members and the Commission's Corporate Risk Register is shared with REWAC members for information and to provide the opportunity to comment. The Chairs of both Committees also attend a Commission meeting to present their annual reports.

Forward Look

67.Whilst the Committee recognises the strength of the Commission's governance, risk, control, and assurance arrangements, these must continue to develop in order to remain effective. As well as its regular activity, the Committee will be taking an active interest in the following areas during 2021-22:

- any key actions, issues and recommendations emerging from the audit of the Commission's 2020-21 Annual Report and Accounts;
- evaluation of the lessons learned from the Commission's response to the Covid-19 pandemic and governance around new ways of working;
- the Commission's capacity to deliver within budget constraints; and
- cyber-security.

68.The Committee also needs to look ahead and anticipate issues, challenges and risks which may arise in the future, over and above those identified in the forward work programme. To help inform this, officials and the clerking team will continue to circulate relevant updates and the Chair will continue to meet

fortnightly with the Head of Governance and Assurance, and other officials as necessary.

- 69.** The Committee also encourages the Commission to keep up with the pace of change in areas such as IT developments and in particular cyber-security using the in-house expertise it has recruited and developed and the links with Microsoft and other service providers.
- 70.** The Committee remains keen to pursue opportunities for working with the Commission's Executive Board and other officials in areas where it can add value. This includes but is not limited to: procurement (in particular from local suppliers); ensuring value for money given budget restraints; risks and issues around development and diversity of the workforce; environmental sustainability; and providing long-term horizon scanning looking at external developments - threats and opportunities.

Conclusions

- 71.** The Committee is satisfied that it has sufficient evidence to provide assurance to the Accounting Officer and the Commission on the effectiveness of the overall risk, control and governance environment. Indeed, overall, assurance levels within the Commission continue to be strong. The sources of assurance are robust and reliable, as evidenced by the external audit of accounts, the Assurance Framework, and the on-going work and Annual Opinion and Report from Internal Audit.
- 72.** The Committee thanks the Chief Executive and Clerk, and her staff, for the constructive and cooperative approach they have taken to the Committee's work over the past year. Throughout the period the Committee has continued to enjoy very good working relationships with Commission staff and have found them to be open and receptive to challenge. The secretariat support provided continues to be first class and is highly valued by the Committee members.
- 73.** The current Committee would like to record our thanks to Suzy Davies MS and Commissioner for her invaluable contributions, insight and constructive challenge to the Committee over the preceding five years.

Appendix 1: Senedd Commission Audit and Risk Assurance Committee Terms of Reference

The Commission establishes the Senedd Commission Audit and Risk Assurance Committee in support of its responsibilities for issues of risk, control and governance. Its role is to review the comprehensiveness, reliability and integrity of assurances and whether they meet the Commission and the Accounting Officer's needs.

Membership

1. The members of the Senedd Commission Audit and Risk Assurance Committee are:
 - Suzy Davies, MS, Commissioner;
 - Three independent advisers: Robert Evans (Chair), Ann Beynon; and Dr Aled Eirug.

Reporting

2. The Committee will report to the Commission via the Accounting Officer after each meeting. The minutes of the meeting are published on the Commission's website.
3. The Committee Chair, will attend a Commission meeting in July and present the Commission and the Accounting Officer with an Annual Report, timed to support finalisation of the accounts and the Governance Statement. The Annual Report will summarise the Committee's conclusions from the work it has done during the year.

Responsibilities

4. The Committee will advise the Commission and the Accounting Officer on:
 - the strategic processes for risk, control and governance;
 - the Governance Statement;

- the accounting policies, the accounts, and the annual report of the Commission, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the Auditor General;
 - the planned activity and results of both internal and external audit;
 - the adequacy of management response to issues identified by audit activity, including the external audit management letter from Audit Wales;
 - assurances relating to the management of risk and corporate governance for the Commission;
 - proposals for tendering for Internal Audit services or for purchase of non-audit services from contractors who provide audit services; and
 - anti-fraud policies, whistle-blowing processes, and arrangements for special investigations.
- 5.** The Committee will periodically review its own effectiveness and report the results of that review to the Commission.

Rights

- 6.** Subject to budgets agreed by the Commission, the Committee may:
- co-opt additional members for a period not exceeding one year (with the approval of the Accounting Officer) to provide specialist skills, knowledge and experience;
 - procure specialist ad-hoc advice, at the expense of the organisation.

Access

- 7.** The Head of Internal Audit and the representative of Audit Wales will have free and confidential access to the Chair of the Committee.

Meetings

- 8.** The Committee will meet at least four times a year. The Chair may convene additional meetings, as necessary.
- 9.** A minimum of two members of the Committee must be present for the meeting to be deemed quorate.

- 10.** Committee meetings will normally be attended by the Accounting Officer, the Director of Finance, the Director of Senedd Resources, the Risk and Governance Manager, the Head of Internal Audit, and a representative of Audit Wales.
- 11.** The Committee may ask any other officials to attend to assist it with its discussions on any particular matter.
- 12.** The Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.
- 13.** The Commission or the Accounting Officer may ask the Committee to convene further meetings to discuss particular issues on which they require the Committee's advice.

Information requirements

- 14.** For each meeting the Committee will be provided with:
 - a report summarising any significant changes to the Commission's Corporate Risk Register;
 - a progress report from the Head of Internal Audit summarising:
 - work performed (and a comparison with work planned);
 - key issues emerging from Internal Audit work;
 - management's response to audit recommendations;
 - changes to the annual audit plan;
 - resourcing issues affecting the delivery of Internal Audit's plan;
 - a progress report from the Audit Wales representative summarising work done and emerging findings;
 - management assurance reports; and
 - reports on the management of major incidents/issues, "near misses", and lessons learned.
- 15.** As and when appropriate the Committee will be provided with:

- proposals for the terms of reference of internal audit / the internal audit charter;
- the internal audit strategy;
- the Head of Internal Audit's Annual Opinion and Report;
- quality assurance reports on the internal audit function;
- the Audit Wales annual Audit Strategy;
- the Audit Wales' ISA 260 report to those charged with governance;
- the draft accounts of the Commission;
- the draft Governance Statement;
- Senior Information Risk Owner (SIRO) Annual Report;
- a report on any changes to accounting policies;
- the Audit Wales management letter;
- a report on any proposals to tender for audit functions;
- a report on co-operation between internal and external audit;
- the Commission's Risk Management Strategy;
- reports on information breaches and regular updates on cyber-security;
- details of key change programme/project portfolio management;
- departure summaries; and
- other information of relevance or potential interest, including:
 - Commission papers or reports on matters of strategic importance;
 - updates on areas considered by the Commission's Remuneration, Engagement and Workforce Advisory Committee (REWAC);
 - national reports as and when produced by audit bodies; and

- twice yearly updates from Audit Wales to share knowledge of wider public sector studies and reports and to summarise how these might impact on, or be of interest to, the Commission.