

Senedd Commission Audit and Risk Assurance Committee: Annual Report 2021-22

June 2022



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1. Introduction

- 1.** The Senedd Commission's Audit and Risk Assurance Committee (the Committee) is pleased to present this report on its work for the year ended 31 March 2022.
- 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 2022-23; and its overall conclusions.
- 3.** Despite the challenges due to the legacy of the Covid-19 pandemic, significant work has been delivered during the reporting period, as outlined in the Commission's Annual Report and Accounts. This has included, but is not limited to:
 - the successful transition to the Sixth Senedd, following the Elections in May 2021;
 - the election and early activity of the second Welsh Youth Parliament;
 - the consolidation of plans for future ways of working, including the estates strategy; and
 - a thorough overhaul of reporting and monitoring arrangements for cyber-security.
- 4.** The Committee has commended the Commission on the robust and well managed emergence from the pandemic. There has been no disruption to the formal proceedings of this Committee during the year, with all meetings going ahead as planned in a virtual format. The Committee has also noted the continuation of all governance and assurance activity by the Commission without disruption.

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 members also provide valuable insight from their knowledge and experience in terms of horizon-scanning for potential risks and issues. The Committee's Terms of Reference (**appendix 1**) and **forward work programme** are produced in accordance with HM Treasury guidance.

6. The Committee also assesses the independence of external auditors, on which it receives assurances from Audit Wales through the Annual Audit Strategy. Audit Wales representatives also attend all Committee meetings and an annual private session with the Committee. Additionally, Audit Wales and the Commission's Director of Finance debrief the Committee after the annual lessons learned session. Alongside this, the Committee also works closely with internal auditors as they play a key strategic role in providing assurances on the effectiveness of the Commission's internal controls.

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)
- Ken Skates MS, Commissioner (first meeting November 2021)
- Ann Beynon OBE, Independent Adviser and Committee member
- Aled Eirug Independent Adviser and Committee member.

8. During the year there was one change to the membership, with Ken Skates MS replacing Suzy Davies MS as the Commissioner member of the Committee following the May 2021 Senedd Elections.

9. At the April meeting, Suzy presented her reflections on her membership of the Committee since 2016 and thanked its members and officials for being so welcoming and supportive. The Chair, on behalf of the Committee, thanked Suzy for her contribution, insight and constructive challenge during her term as a member of the Committee. Suzy also attended the June Committee meeting in her capacity as Commissioner as the new Commissioners had not been appointed.

10. Ken Skates MS was appointed as Commissioner with responsibility for budget and governance, including membership of this Committee, in June 2021. The Committee welcomed him formally at its November meeting.

11. 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 provides a link to the Commission with updates and copies of the minutes provided after each meeting of the Committee. It is also useful to hear first-hand feedback on appearances at scrutiny sessions of the Senedd's Public Accounts and Administration Committee and Finance Committee from a Commissioner's perspective.

12. The following also attended Committee meetings during the year:

- Manon Antoniazzi – Chief Executive and Clerk / Accounting Officer;
- Nia Morgan – Director of Finance;
- Dave Tosh – Director of Senedd Resources (last meeting November 2021);
- Ed Williams – Director of Senedd Resources (first meeting February 2022);
- 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 – Executive Director, Audit Wales;
- Gareth Lucey – Audit Manager, Audit Wales;
- Kathryn Hughes – Committee Clerk / Risk and Governance Manager; and
- Buddug Saer – Deputy Committee Clerk.

Other Commission officials also attended meetings as required.

13. 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

14. The continuation of virtual meetings throughout the year has had no impact on coverage of the Committee's forward work programme which has continued 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 through direct communication with relevant officials. Where necessary this was followed up with the opportunity to discuss any points arising in the formal meetings.

15. The Committee was provided with detailed corporate updates on the Commission's ongoing response to the pandemic from the Director of Resources at every meeting. These updates included details of considerations by the Commission's Covid Resilience and Monitoring (CRAM) group which was established in 2020 to assess and monitor the impact of changes to Covid-19 Regulations. The group, which continued to meet weekly throughout the year, provided advice to, and informed timely decisions by the Executive Board, and informed discussions with the Llywydd and Chairs' Forum in relation to formal Senedd business. The Committee welcomed these regular updates and maintained a particular focus on the impact of decisions and arrangements on staff wellbeing. Details of the evaluation of lessons learned from the pandemic can be found in the Commission's Governance Statement published as part of its Annual Report and Accounts 2021-22¹.

16. The Committee observed how the Commission continued to demonstrate high standards of governance throughout the pandemic, despite the challenging circumstances.

17. As noted in the Introduction section of this report, the Committee acknowledges the Commission's achievements during the reporting period. It has received regular briefings and updates from senior officials both at formal meetings and out of committee on key areas of work and provided constructive challenge, in particular on the associated risks. Examples of this included updates on:

¹ <https://senedd.wales/commission/commission-publications/>

- the management of risks and delivery of the various work strands in relation to the May 2021 Senedd Elections - this included a detailed paper on delivery of, and lessons learned from, the transition to the Sixth Senedd, which was presented at a formal meeting by senior officials;
- ongoing responses to the evolving threat landscape relating to cyber-security – see paragraph 19 below and the Findings and Observations section of this report;
- plans for Senedd Reform, and the related risks, challenges and opportunities;
- spend with Welsh suppliers, including a paper which was presented by the Head of Procurement at a formal meeting;
- development of the Commission’s estates strategy from the Director of Resources at formal meetings and a separate briefing session on the “Ways of Working” strategy, which now incorporates the estates strategy, delivered to Committee members in March 2022; and
- the project to upgrade the Commission’s finance system - this included a detailed paper focusing on the mitigation of risks which was presented by the Director of Finance at a formal meeting.

18. 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 from the external audit of the Commission’s accounts;
- the internal audit plan, which had previously been adapted to focus on providing real-time assurance on Covid-related matters had returned to the more traditional programme of audits;
- the Commission’ senior management continued to monitor and actively manage its corporate risks, with a substantive refresh of its risk profile in response to emerging risks during the year; and
- despite the inevitable ongoing impact of the pandemic on some of its performance indicators, the Commission continued to achieve high

standards of service and performance for delivering Senedd business, as demonstrated in its Corporate Key Performance Indicator Report.

19. The *Forward Look* section of the Committee's 2020-21 Annual Report highlighted several areas in which the Committee would continue to take an active interest. Details of the Committee's consideration of these specific areas, some of which are included in other parts of this report, are outlined below:

- any key actions, issues and recommendations emerging from the audit of the Commission's 2020-21 Annual Report and Accounts

Details of this are covered in the *Findings and Observations* section of this report.

- evaluation of the lessons learned from the Commission's response to the Covid-19 pandemic and governance around new ways of working

Details of lessons learned from the pandemic and plans for future ways of working, which were presented to the Commission, were shared with the Committee during the year. Updates were also provided in formal meetings. This included a discussion on a "Futures Report" which was endorsed by the Commission and published on the intranet. The Committee welcomed the ways in which the various strands of work were being brought together under one overarching "Ways of Working" programme with robust governance arrangements. Further details on this can be found in Commission's Governance Statement.

- the Commission's capacity to deliver within budget constraints

The Committee welcomed the Commission's continued monitoring of risks around capacity, and the actions taken to mitigate these including, but not limited to, the following:

- decisions around prioritisation and flexible use of resources throughout the year by the Commission's Executive Board, informed by discussions by the Leadership Team (consisting of all Heads of Service) – this was partly in response to the impact of the pandemic and the pressures on specific groups of staff:
and

- completion of the first phase of a further Capacity Review, from which one of the outcomes was a review of service planning.

The Commission has also developed a Corporate Delivery Plan, details of which were presented to the Committee by the Head of Governance and Assurance in February 2022. The Committee welcomes that, as well as clarifying priorities, and responsibility and accountability for delivery, this should facilitate better alignment of service planning with the budget cycle.

- cyber-security

The Committee has maintained a sharp focus on cyber-security arrangements during the year, particularly given the ever-changing threat landscape, and the increase in the number of attempted cyber-attacks directed at the Senedd throughout the pandemic. It has welcomed the regular and comprehensive reporting on assurance in this vital aspect of governance and risk management and encourages a continued focus on mitigation of the threats. Further details of this are covered in the *Findings and Observations* section of this report.

20. 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 to inform the Accounting Officer's Governance Statement (see *Findings and Observations* section of this report, under *Assurance framework* for further details); and
- recruitment of a new Director of Resources.

21. Commission officials continue to share information with the Committee in real time. Examples of this include:

- links to formal Senedd proceeding such as scrutiny sessions at the Senedd's Public Accounts and Public Administration Committee and Finance Committee, along with the relevant Committee reports and Commission responses;

- Commission papers and reports, such as those relating to the future of the estate and future ways of working;
- messages to staff, invitations to all-staff meetings, and weekly updates on Commission activity;
- details of the report by Prof. Diana Stirbu on the Power, Influence and Impact of Senedd Committees (the Stirbu report), including briefing produced by the Commission's Research Service; and
- circulation of relevant newsletters, reports and updates published by bodies such as Audit Wales, National Audit Office and CIPFA.

22. 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 and the real time sharing of information on business continuity arrangements with an intra-parliamentary group;
- details of participation in the Wales (public sector) Heads of Internal Audit Forum; and
- updates on areas of work covered by the Governance and Assurance team such as assurance gathering to inform the Governance Statement; production of the Commission's Annual Report and Accounts; business continuity; data protection; and the review of service planning.

23. The Committee was pleased to note the intra-parliamentary work around business continuity; and also the sharing of information with other UK legislatures on the Commission's approach to assurance mapping (further details on this are included in the *Findings and Observations* section of this report under *Assurance framework*).

24. The Committee has also received updates on areas considered by the Commission's Remuneration, Engagement and Workforce Advisory Committee (REWAC).

2. Findings and Observations

25. This section of the report outlines the findings and observation of the Committee during the year around its core programme of work. Details of the Committee's assurances relating to the other areas of Commission activity are included in other parts of the report.

26. There is also specific reference to the assurances relating to the Senedd Elections, particularly around the impact of Covid in the *Conclusions* section of this report. Further details on the activity relating to this can be found in the Commission's Annual Report.

Annual Report and Accounts 2020-21 and external audit

27. The Committee supported the production of the 2020-21 Annual Report and Accounts, which included advising on the Governance Statement.

28. In terms of the Annual Report narrative, the Committee considered this to be a very detailed and thorough account of delivery against the Commission's strategic goals. In discussions at a Committee meeting about the level of detail in the report, and its readership, the Committee acknowledged the positive feedback received from the Senedd's Finance and Public Accounts and Administration Committees on their scrutiny of previous reports. The Committee also welcomed plans for presenting future reports in a more interactive format.

29. The Committee welcomed early presentation of the Financial Statements Report (ISA260) and Management Letter. The report included reference to one low value uncorrected misstatement for what Audit Wales considered to be misclassification of capital expenditure. This was identified late in the audit process and was considered by Commission officials to be inconsistent with previous classification of investment in the estate. This difference of opinion was discussed in detail at the Committee's June 2021 meeting when the Chair thanked both parties for the courteous and diplomatic handling of the issue.

30. The Auditor General for Wales issued an unqualified audit opinion on the financial statements in June 2021.

31. Due to the pandemic, this was the second year that the audit of the accounts had been completed remotely. The Committee noted how co-operation by officials and auditors had facilitated another smooth audit process, at a time when both organisations were continuing to deal with additional pressures

caused by the pandemic. This has resulted in praise from the Senedd's Public Accounts and Administration Committee for the Commission's financial performance and from its Finance Committee on "*...ensuring agility in its financial planning, particularly in light of the significant uncertainties and external pressures it continues to face*".

32. 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, includes details of how the external auditors rely on Internal Audit's work.

33. 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 2021, ahead of the full audit in May.

34. 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.

35. The Committee welcomed early sight of a draft Governance Statement for 2020-21 in April 2021 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 another 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.

36. The Committee also welcomed early sight of the draft Annual Report and Accounts, including a draft Governance Statement for 2021-22 at its April 2022 meeting.

Internal audit

37. 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 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. The Committee is pleased to note the continued positive engagement with internal audit by management and the timely and constructive implementation of recommendations.

38. Following a turbulent couple of years during which some internal audit work had to be refocused to provide assurances on the Commission's response to the pandemic, the Committee was pleased to see a return to a more traditional audit programme. The Committee reviews all formal audit reports. Those reviewed throughout the year are listed below. The Committee also received updates on progress against management's implementation of audit recommendations.

- ICT Asset Management (formal audit – substantial assurance)
- Cyber Security (formal audit – moderate assurance)
- Payroll (formal audit – moderate assurance)
- Members' Expenses 2021 (formal audit - substantial assurance)

39. The Committee welcomes a continued focus on maintaining an appropriate balance of audits across services and directorates, such as reviews of the Library service and compliance with the Official Languages Scheme which are ongoing.

40. The Committee also 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.

41. 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 2021-22. There were also no internal whistleblowing disclosures.

42. The Head of Internal Audit's Annual Opinion and Report for 2021-22 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.

43. That report also confirmed compliance with Public Sector Internal Audit Standards (PSIAS) and the Internal Audit Charter.

44. 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.

45. 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. This year, this has included sharing information on the Commission's approach to assurance mapping and carrying out the External Quality Assessment of the Northern Ireland Assembly's Internal Audit Department.

Risk management

Review and reporting processes

46. The Committee continued to monitor the effectiveness of risk management processes throughout the year and considered this in detail at its April 2021 meeting. It remains satisfied that arrangements for the identification, management, review and reporting on risks across the Commission are robust and embedded. The Committee also acknowledged the continual efforts of the Risk Manager and network of Risk Champions to maintain a focus on risk management at all levels.

47. 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.

48. Further details on the arrangements for, and the management of risks can be found in the Commission's Governance Statement.

Risk Profile

49. As well as reviewing the Commission's Summary Corporate Risk Register at each meeting, the Committee also undertook 'deep dive' reviews of some individual risks during which senior officials were able to provide further assurance to the Committee on their effective management. Further details on the corporate risks, and how they have changed over the year, are included in the Risk Profile section of the Commission's Annual Report and Accounts.

50. 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. The Annual Report by the Senior Information Risk Owner (SIRO) further bolsters assurance that information risks are being managed effectively

and outlines plans for working with the Information Governance team to deliver priority work now that resources in this area have been increased. During 2021-22, there were no personal data loss incidents which required reporting to the Information Commissioner's Office (ICO).

51. At the end of the reporting period, four of the nine corporate risks had 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

52. 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, who attend Committee meetings twice-yearly.

53. The Committee has welcomed the development of a very thorough and detailed Cyber Security Assurance Report which the ICT team will now produce quarterly. A draft of the report was shared with the Committee for comments and it will be refined based on feedback. Cyber-security will also remain on the annual internal audit plan.

54. 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 steps taken previously to secure the ICT infrastructure have continued to protect the organisation and allowed the organisation to keep pace with the evolving threats.

55. The Commission's ICT service have confirmed that there were no cyber-security incidents that resulted in data breaches in 2021-22.

56. The Committee encouraged the Commission to remain appropriately focussed on cyber-security, including raising awareness with Members and their support staff.

Assurance framework

57. The Commission's Assurance Framework includes a robust process for gathering assurance on the effectiveness of governance arrangements at all levels across the Commission. The process includes mapping the operational, corporate and independent sources of assurance against internal processes, risks and

systems for each service area. This 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.

58. The assurance maps are used to inform drafting of annual service-level assurance statements, which in turn are used to inform assurance statements from each Director. This information is then used to inform the Accounting Officer's Governance Statement.

59. 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.

60. 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. The Committee also considers early drafts of the Governance Statement and advises on its content.

3. Forward Look

61. 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 2022-23:

- monitoring progress of the new Corporate Delivery Plan;
- medium term planning for the Ways of Working programme, which incorporates the estates strategy;
- regular updates on UK Constitutional Change / Senedd Reform;
- the Commission's communications and engagement strategies; and
- decarbonisation as outlined in the Commission's Carbon Neutral Strategy.

62. 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. 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.

4. Conclusions

63. 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. Overall, assurance levels within the Commission continue to be strong. The sources of assurance are robust and reliable, as evidenced by the Assurance Framework, external audit of the accounts, and the on-going work and Annual Opinion and Report from Internal Audit.

64. The Committee observed how the Commission continued to demonstrate high standards of governance throughout the pandemic, despite the challenging circumstances.

65. Effective governance and risk management arrangements were particularly important during a year when there was so much uncertainty in terms of responding to the many and sometimes rapid changes to Covid-19 Regulations. The Committee is pleased to report that the Commission continued to demonstrate high standards of governance throughout this period and has overcome the additional challenges caused by the pandemic.

66. The effective delivery of an Election and successful transition to the Sixth Senedd, including the official opening during the pandemic was a considerable achievement, particularly given the amount of uncertainty around the date of the Election and Covid-19 Regulations. There was also a significantly reduced dissolution period which had implications for the preparation of timely guidance for Members of the Senedd. In terms of governance, the Committee noted how clarity around responsibilities and decision-making and extensive planning, which included detailed scenario and contingency planning, were key factors in successful delivery. The Committee was kept informed of progress on the planning and management of related risks through comprehensive updates both at formal meetings and out of committee. This included detailed updates on delivery and lessons learned.

67. 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 support provided by the clerking team continues to be highly valued by the Committee members.

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

The Senedd 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 Senedd Commission and the Accounting Officer's needs.

MEMBERSHIP

1. The members of the **Senedd Commission Audit and Risk Assurance Committee** are:
 - **Ken Skates**, 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 Senedd 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 in its Annual Report.

RIGHTS

6. Subject to budgets agreed by the Commission, the Committee may, with the approval of the Accounting Officer:

- co-opt additional members for a period not exceeding one year 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 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 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.