

Senedd Commission Audit and Risk Assurance Committee: Annual Report

June 2024



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Senedd Commission Audit and Risk Assurance Committee: Annual Report

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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 2024.

2. The report focuses on the Committee's work in relation to the Commission's frameworks for risk management, internal control, corporate governance and assurance, including audit. It outlines: the remit of the Committee; the work undertaken and associated findings and observations; the Committee's proposed focus for 2024-25; and its overall conclusions.

3. It has been another year of significant achievement and performance, with major pieces of work being developed and delivered, as outlined in the Commission's Annual Report and Accounts. This has included, but is not limited to:

- progressing two major transformational change programmes - Senedd Reform and Ways of Working - in preparation for the Seventh Senedd and beyond;
- supporting the legislative scrutiny process for the Bills relating to the Senedd Reform proposals;
- embedding the updated corporate and service planning framework which includes a Medium-Term Resourcing Framework and Workforce Plan;
- progressing delivery of the Communications and Engagement Strategy; and
- the conclusion of the second Welsh Youth Parliament.

Role and membership of the Committee

4. 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.

5. 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 Chief Finance Officer debrief the Committee after an 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.

6. 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, Independent Adviser and Committee Chair
- Hefin David MS, Commissioner
- Menai Owen-Jones, Independent Adviser
- Dr. Mark Egan, Independent Adviser

7. Dr. Aled Eirug, Independent Adviser and former Committee member, and Professor Uzo Iwobi, Independent Adviser, are standing invitees at each meeting.

8. In April 2024, Ken Skates was replaced by Hefin David as the Commissioner with responsibility for budgets and governance, and as a member of the Committee. The Committee would like to express its thanks to Ken Skates for his valuable and considered contributions during his tenure.

9. The following senior officials also attended Committee meetings regularly during the year:

- Manon Antoniazzi – Chief Executive and Clerk / Accounting Officer;
- Siwan Davies – Deputy Chief Executive and Clerk, and Director of Senedd Business;
- Ed Williams – Director of Senedd Resources;
- Arwyn Jones – Director of Communications and Engagement;

- Kate Innes – Chief Finance Officer (from July 2023);
- Simon Hart – Interim Chief Finance Officer (last meeting June 2023)
- Gareth Watts – Head of Internal Audit / Head of Governance and Assurance (last meeting July 2023);
- Lee Glover, Validera – Interim Head of Internal Audit (from August 2023), Head of Internal Audit (from March 2024);
- Leanne Baker – Chief People Officer;
- Matthew Richards – Head of Legal Services;
- Ann-Marie Harkin – Executive Director, Audit Wales (until June 2023);
- Anthony Veale, Executive Audit Director, Audit Wales (from November 2023);
- Clare James – 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.

10. Since February 2024, the formal Committee meetings have taken a different format, with the agenda split into two parts, as outlined below. Minutes are produced for both parts of the meetings:

- Part 1 covers regular assurance and Committee business items in line with the HM Treasury Audit and Risk Assurance Committee Handbook. This part has been attended by Committee members, the Chief Executive and Clerk, Directors (for relevant items e.g. corporate risk, departures, cyber-security), other relevant officials, Head of Internal Audit, Audit Wales, and the clerking team;
- Part 2 consists of strategic discussion, attended by Committee members, all members of the Executive Board and the clerking team.

11. The Committee publishes its meeting minutes on the Commission's [website](#). The 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

12. The Committee has continued to work in a hybrid format. The technology, which allows for simultaneous translation in line with Commission policy, has worked well to support this and allows the preferences of its members and officials around attendance to be accommodated.

13. The Committee's forward work programme has continued to mirror the responsibilities and information requirements sections outlined in its 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.

14. 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:

- progress with the development and delivery of the Senedd Reform and Ways of Working programmes and other major projects;
- development of the strategic planning framework;
- development of the budget strategy and supplementary budgets;
- data breaches;
- cyber security – including an invitation to the two-day cyber-security conference in November 2023;
- delivery of the Carbon Neutral Strategy; and
- delivery of the Communications and Engagement Strategy.

15. 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 the following in this summary:

- a clean audit of the Commission's 2022-23 accounts by the external auditors, with no significant issues identified;
- the continued focus on implementation of internal audit recommendations;
- the continued management and monitoring of the Commission's corporate risks by senior management; and
- the continued high standards of service and performance for delivering Senedd business, as demonstrated in its Corporate Key Performance Indicator Report, alongside developing mechanisms for managing delivery of major transformational changes.

16. The *Forward look* section of the Committee's 2022-23 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:

- the effectiveness of programme and project governance, including the decision-making and reporting mechanisms and management of risks relating to the major transformational changes - Senedd Reform and Ways of Working - and other major projects, such as the Commission's 'People and Remuneration' HR/Payroll system replacement project

A meeting was held with all Independent Advisers in July 2023 to present details of the Commission's programme and project management architecture. The Committee has been provided with regular and detailed updates on the progress of the major programmes and projects during the year. An internal audit review on programme and project governance has been completed and the Committee will consider its report when finalised.

- the effectiveness of the updated corporate and service planning framework and implementation of the Medium-Term Resourcing Framework (MTRF)

The two-year Corporate Plan was approved by the Executive Board and the 2024-25 round of service planning has been completed.

The MTRF has been refreshed with the Strategic Planning Unit liaising with Finance and HR on its production. The Committee welcomed these developments and was satisfied with further information it received, on request from officials, regarding the integration of these planning documents.

Further information on this can be found in the *Findings and observations* section of this report under *Planning and portfolio management frameworks*.

- the management of risks relating to the regulatory framework as it applies to Members of the Senedd

The Committee carried out a deep-dive into this risk at its April 2023 meeting, where senior officials provided further assurance on its management. The Committee also received an update on the management of this risk at each of its formal meetings as part of the Corporate Risk Register.

In October 2023, the Committee also reviewed an internal audit report on the Regulatory Framework which focused on the management of the risks and evaluating the effectiveness of controls. The overall assurance opinion for the report was Substantial, with two recommendations which are being addressed through regular review of the risks. The Committee recognises the complexity of the regulatory framework and welcomes the focus on actions to address the risks.

- compliance with the Commission's Official Languages Scheme

The 2022-23 Governance Statement highlighted the need to "take action to address any emerging issues around compliance with the Official Languages Scheme (OLS)". The Committee noted progress against this in the 2023-24 Governance Statement. In summary, guidance for OLS Co-ordinators had been issued to help them recognise emerging issues at an early stage so they could be remedied quickly and avoid instances of non-compliance and complaints. The procedures in place include a requirement to record and share steps taken and lessons learned to avoid re-occurrences.

17. In addition to the formal business of the Committee, its members also supported the Commission on other activities during the year, either in their

capacity as a member of the Committee or in their wider capacity as Independent Advisers. This included:

- an in-flight informal review of progress against delivery of the Communication and Engagement Strategy (further details can be found in the *Findings and observations* section of this report);
- attending an Executive Board meeting in March 2024 to scrutinise and challenge the assurance statements provided by each Director to inform the Accounting Officer's Governance Statement (further details can be found in the *Findings and observations* section of this report, under *Assurance framework*);
- judging the Staff Recognition Scheme Awards 2023; and
- membership of the recruitment panel for the Chief People Officer.

18. Commission officials also 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 Senedd Reform and Ways of Working programmes;
- messages to staff, invitations to all-staff meetings, and weekly updates on Commission activity; and
- relevant newsletters, reports and updates published by bodies such as National Audit Office, internal audit organisations, and CIPFA.

19. At each of its meetings during the year, the Committee has been presented with update reports on governance, assurance and audit activity. This has included important assurances and updates over a range of matters such as:

- informal assurance activity such as advisory reviews outside of the formal internal audit programme; 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; and the development and implementation of a new corporate and service planning framework.

2. Findings and Observations

20. 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.

Financial management

21. The Commission welcomed a new Chief Finance Officer in June 2023. There was a handover period with the interim Chief Finance Officer to ensure a smooth transition, which was particularly important at a time when the audit of the accounts was being finalised. The Head of Finance post was also substantively filled in June after a period of temporary cover.

22. Details of financial management and performance can be found in the Accounting Officer's Governance Statement, published as part of the Annual Report and Accounts for 2023-24.

23. The Committee has received finance updates at each of its meetings, and budget information as it has become available. This has included details of year to date expenditure and outturn forecasting, budget strategies, and links to scrutiny sessions and scrutiny reports produced by Senedd Committees and the Commission's responses. During the year, the Committee has also been sighted on details around budget management to accommodate the in-year cost of living payments. Going forward, the Committee has agreed to include an agenda item at its Spring meeting to consider the three-year rolling budget strategy. It has also received information on the impact of changes to accounting regulations.

24. As noted in paragraph 16 of this report, the Committee maintained an interest in the development of long term financial planning as part of the Commission's overall planning and portfolio management frameworks, to ensure that the risks associated with multi-year projects are identified and managed. Further details on this can be found in the *Planning and portfolio management frameworks* section of this report.

Annual Report and Accounts and external audit

25. The Committee supported the production of the 2022-23 Annual Report and Accounts, which included reviewing the Accounting Officer's Governance Statement.

26. In terms of the Annual Report narrative, the Committee considered this to be a detailed and thorough account of delivery against the Commission's strategic goals. The Committee discussed the level of detail in the report, and its readership, and acknowledged the positive feedback received from the Senedd's Finance and Public Accounts and Administration Committees on their scrutiny of previous reports.

27. The Committee welcomed the interactive presentation of the Annual Report and Accounts, with the online version including clear links to the annual reports on sustainability, diversity and inclusion, and official languages. It also included links to video and digital content, as well as articles and further information already created during the year. The Committee encouraged officials to build on this for future reports to ensure the report was as accessible as possible. The report was also still available in the usual printable format for audit and laying purposes.

28. At its June 2023 meeting, the Committee noted the Financial Statements Report (ISA260) and Management Letter for 2022-23 and was pleased to note the clean audit with no significant issues identified. There were three recommendations arising from the audit which were addressed during the year.

29. The Auditor General for Wales issued an unqualified audit opinion on the financial statements in June 2023.

30. The Committee appreciated the continued strong working relationship between the external and internal auditors through the 'joint working protocol' which is reviewed and presented to the Committee annually.

31. 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.

32. The Committee welcomed early sight of a draft Governance Statement for 2022-23 in April 2023 and considered this to be a robust statement and a true and honest reflection of the effectiveness of the Commission's governance arrangements over the 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.

33. The Committee also welcomed early sight of the draft narrative for the 2023-24 Annual Report and Accounts, including a draft Governance Statement, and an outline of the financial statements at its April 2024 meeting.

Internal audit

34. The departure of the in-house Head of Internal Audit in July 2023 led to a review of the Commission's internal audit service. The role was supported by one other qualified in-house internal auditor on a part-time basis who also left the Commission in March 2024.

35. Some years ago, the Commission adopted a co-sourced partner arrangement with certain audits being carried out by a third-party provider. This arrangement worked well in balancing the corporate knowledge and understanding of the organisation by the Head of Internal Audit, and their relationship with management, with the expertise in fields such as cyber-security and business continuity by the third-party organisation. This also helped to ensure the independence of audit work in areas where the Head of Internal Audit had management responsibility such as risk management and procurement.

36. Whilst options for the future of internal audit services were being considered, interim arrangements were put in place whereby the Internal Audit Engagement Director from the third-party provider assumed the position of Interim Head of Internal Audit. This arrangement has since become permanent and a decision has been made to transfer responsibility for internal audit to the Finance Service, with the Chief Finance Officer being the Senior Responsible Person for internal audit within the Commission.

37. The Commission has also moved from an annual audit planning cycle to a three-year rolling programme of audits. The Committee welcomes this approach and is satisfied with assurances from the Head of Internal Audit that the level of resourcing committed to the deliver the programme remains sufficient. It also welcomes the continued focus on maintaining an appropriate balance of audits across services and directorates and notes that this plan will be adapted to take account of emerging risks.

38. The Public Sector Internal Audit standards set out that an External Quality Assessment (EQA) must be performed by an independent body once every five years for all internal audit services. To facilitate a consistent level of review the HM

Treasury have developed an Internal Audit Quality Assessment Framework (IAQAF) which sets out a process and defined statements of good practice against which the assessment should be made.

39. During 2023-24, Internal Audit self-assessed itself against the requirements of the IAQAF and SWAP Internal Audit Services undertook the EQA to verify those assertions and conclusions made. The EQA concluded that the function generally conformed (the highest level of conformity) with the Public Sector Internal Audit Standards and made a small number of recommendations which have been addressed.

40. The Committee reviewed reports from four formal internal audits during the year, namely: Business Continuity, Members' Expenses, Public Appointments and Procurement Cards. It also received reports on: a follow up audit of Cyber Security, an advisory Effectiveness Review of the Executive Board and an advisory review of Lessons Learned from Covid 19. Formal audits on Programme and Project Governance and Cyber Security have also been completed with reports currently with management for their responses. Some planned audits were deferred to 2024-25, partly as a result of the changes in internal audit structure but also as the planned dates for audit were no longer appropriate due to changes in processes and timing of work to be audited.

41. The Committee is pleased to note the continued positive engagement with internal audit by management and the timely and constructive implementation of recommendations. The Commission has a mechanism in place to track these and assurances have been received from the Head of Internal Audit that all recommendations from previous years have either been completed or are on track to be completed.

42. The Chief Finance Officer presented an Annual Report on Fraud to the Committee and reported that no cases of actual or suspected fraudulent activity were brought to her attention during the year. There were also no internal whistleblowing disclosures.

43. The Head of Internal Audit's Annual Opinion and Report for 2023-24 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 an accurate assessment of work undertaken during the year and of the effectiveness of recommendations.

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

45. The Committee is satisfied with assurances from the Head of Internal Audit that the independence of the role is protected with no conflict of interest in carrying out the audits. The move to this being an external appointment has enhanced the independence of the role.

Risk management

Review and reporting processes

46. The Committee continued to monitor the effectiveness of risk management processes throughout the year. 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 and the consistent high quality of the risk reporting process.

48. The Committee has noted the intention of management to review risk management arrangements during 2024-25 and an internal audit review of risk management has been included in the audit programme for 2025-26.

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

Risk Profile

50. As well as reviewing the Commission's Summary Corporate Risk Register at each meeting, the Committee also undertakes 'deep dive' reviews of some individual risks during which senior officials provide further assurance to the Committee on their effective management. The specific risks considered during 2023-24 were: the Regulatory Framework as it applies to Members, UK-related Constitutional Change, and Dignity and Respect. 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.

51. The Committee has continued to take a keen interest in compliance with Data Protection legislation and welcomes 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 the Information Governance team to deliver priority objectives. The Committee also receives updates on any data breaches or potential breaches during the year. During 2023-24, there were four breaches which met the threshold for reporting to the Information Commissioner's Office (ICO). The ICO was satisfied with the Commission's handling of these breaches with no further actions required.

52. At the end of the reporting period, five of the ten corporate risks had a 'red' severity rating. Whilst the Committee recognises that the high-risk ratings are largely due to external influences over which the Commission has little or no control, it encouraged officials to maintain a continued focus on reducing their likelihood and impact as far as possible. The Committee believes that, along with cyber security, one of the most significant risks will continue to be around the impact of, and responses to, political, legislative and constitutional change alongside delivering the Commission's ambitious strategic priorities within financial constraints.

Cyber Security

53. The Committee noted the significant amount of work done to continually mitigate cyber-security risks. It welcomes the regular and comprehensive reporting on assurance in this vital aspect of governance and risk management. Senior ICT officials attend Committee meetings twice-yearly to present a very thorough and detailed Cyber Security Assurance Report which forms an important part of the ongoing assurances on the management of cyber-security risks to the Committee and Commission management. Cyber-security will also remain on the annual internal audit plan.

54. Officials, including the Director of Communications and Engagement and the Head of ICT have also continued to meet regularly with the relevant Commissioner to discuss cyber-security risks. Ken Skates, as the Commissioner member of the Committee until March 2024, also actively participated in discussions around raising awareness of cyber-security threats and their mitigation with Members of the Senedd.

55. The Committee welcomed the delivery of a Cyber Security event in December 2023, which was developed, arranged and facilitated by the ICT team.

The event included a number of successful talks, workshops, and presentations, including a panel discussion with the National Cyber Security Centre (NCSC) and the cyber leaders from the UK's four parliamentary institutions. The event was well received but not as well attended as anticipated and therefore failed to achieve the level of engagement and impact necessary to raise awareness. Further events will be planned with consideration of ways to improve attendance levels.

56. The Commission's ICT service have confirmed that there were no cyber-security incidents that resulted in data breaches in 2023-24.

57. The Committee acknowledges that the steps taken to secure the ICT infrastructure have continued to protect the organisation and allowed the organisation to keep pace with the evolving threats. It encourages the Commission to remain appropriately focussed on cyber-security matters and continue to emphasise the importance of good cyber-security practice, and raising awareness of the threats and mitigation with Members and their support staff.

Dignity and Respect

58. As noted in paragraph 50, the Committee carried out a deep dive review of the risks relating to dignity and respect. A paper, including the full risk report was presented to the Committee at its 27 November meeting. The Committee noted the progress with implementing recommendations from the Commission and the plans for an inquiry by the Standards of Conduct Committee. The report on key findings from the 2023 Dignity and Respect Survey was also shared with the Committee. Further details on the review of the Dignity and Respect framework can be found in the Commission's Annual Report and Accounts.

Assurance framework

59. The Commission's Assurance Framework includes a robust process for gathering assurance on the effectiveness of governance arrangements at all levels across the Commission. 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 weaknesses.

60. The process includes mapping the operational, corporate and independent sources of assurance against: legislation/standards/best practice, policies and procedures; internal processes; risks; projects/programmes; contracts and systems for each service area. 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.

61. This year, in line with emerging public sector best practice on assurance mapping, a further step was introduced whereby Directors carried out structured and facilitated mapping of assurance at the second-line/corporate oversight level to inform their statements. This will be evaluated to ensure it is fit for purpose ahead of next year's assurance gathering process.

62. A further layer of assurance was provided through attendance by the Chair of this Committee and one other member at an Executive Board meeting to scrutinise and challenge the Directors' assurance statements. At the meeting in March 2024, officials were encouraged to consider a more cross-cutting approach to the Director statements. The Committee also considers early drafts of the Governance Statement and advises on its content.

63. The Committee considers that the process for gathering assurance is robust and proportionate.

Planning and portfolio management frameworks

64. The Committee attaches particular importance to the introduction of updated planning and portfolio management frameworks by the Commission.

65. The Portfolio Management Framework became operational in 2023-24, containing a portfolio strategy (approved by the Executive Board) with the Portfolio Management Group (chaired by the Chief Finance Officer and supported by the Head of Strategic Planning Unit) responsible for overseeing its delivery, including making recommendations to the Executive Board on which projects should be included in the portfolio and their relative priority to one another.

66. Alongside this, a refreshed annual corporate planning cycle has been developed and is being introduced.

67. As referenced in the *Summary of activity and considerations* section of this report (paragraph 16), a Corporate Delivery Plan was developed and published on the Commission's Intranet pages. The Plan allows Executive Board to monitor progress against key actions and deliverables bringing them together into one place to enhance the Board's oversight and decision-making. During 2023-24, the Plan was refreshed and framed around a set of discrete and clear annual Commission priorities. The Executive Board receives quarterly monitoring reports

on progress and a final out-turn report at the conclusion of the relevant financial year. Further details on this, and the service level planning which supports it, can be found in the Progress and performance section of the Accounting Officer's Governance Statement.

68. Alongside this, in 2022 the Commission agreed to the development of a Medium-Term Resourcing Framework (MTRF). This Framework, due to come into effect fully in 2024-25 following a transitional period and significant preparatory work during 2023-24, will comprise of:

- a medium-term financial plan, detailing, as far as possible, the expected cost pressures and budget requirements for the Commission for the period 2024-25 to 2026-27, the level of alignment between those financial requirements and the corporate priorities, the areas for potential savings and efficiencies over time and the tools that will ensure budget requirements, savings and efficiencies proposals and financial planning processes are robust and effective; and
- a draft Workforce Plan for the three-year period, setting out how the Commission will manage the overall staffing establishment within the medium-term financial planning parameters, how workforce planning will align with delivery of the new corporate priorities going forward and how the strategic goals for development of the workforce will be delivered.

69. In September 2023, these four elements were combined into a fully integrated Resourcing Framework, covering both the size of the Commission's staffing establishment and its budgets over a three-year period starting in 2024-25, with a single set of goals, targets, performance measures and processes.

70. The Committee has welcomed these developments and will continue to take an active interest in the plans as they evolve.

Communications and Engagement Strategy

71. As noted in paragraph 17, Committee members supported the Commission on an informal review of progress against its Communications and Engagement Strategy at the half way point of the current Senedd term. A report on this review was considered by the Committee at its 19 February meeting. A formal internal audit review on delivery of the strategy is included in the audit programme for 2024-25.

Restructure of the Governance and Assurance service

72. The departure of the Head of Governance and Assurance in July 2023 led to a review of the functions covered by the Governance and Assurance team which the Committee has followed with interest. The Committee has noted that, as part of this, the Commission has moved to a fully outsourced internal audit model and that the restructure has left unchanged, the secretariat support provided to it.

3. Forward Look

73. Whilst the Committee recognises the strength of the Commission's risk, control, governance, 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 2024-25 – these largely reflect the areas identified for focus in the Accounting Officer's Governance Statement:

- progress of the Senedd Reform and Ways of Working programmes in preparation for the Seventh Senedd and beyond, with a particular focus on programme and change management, and the management of risk;
- the evolution and embedding of the strategic planning framework; and
- the management of information governance risks.

74. 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 its 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 regularly with the Head of Governance, the Chief Finance Officer 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

75. 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 the Head of Internal Audit.

76. The Committee observed how the Commission continued to demonstrate high standards of governance throughout the year.

77. 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 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

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:
 - **Hefin David**, MS, Commissioner;
 - Three independent advisers: **Robert Evans** (Chair); **Dr Mark Egan**; and **Menai Owen-Jones**.

REPORTING

2. The Committee will report to the **Commission** via the Commissioner Committee member following each meeting. The minutes of each meeting will be included as a paper to note at a future Commission meeting published on the Senedd website.
3. The Committee Chair, will attend a Commission meeting, usually in July and present the Commission and the Accounting Officer with an Annual Report which 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 Chief Finance Officer, 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 Committee;
 - 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.





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