

Senedd Commission Audit and Risk Assurance Committee: Annual Report

June 2023



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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 2023.

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 2023-24; and its overall conclusions.

3. As the Commission has settled into new hybrid ways of working, it has been another year of significant achievement and performance, with major pieces of work being developed and delivered, as outlined in its Annual Report and Accounts. This has included, but is not limited to:

- responding to the death of Her Late Majesty Queen Elizabeth II and welcoming His Majesty King Charles III;
- establishing a Senedd Reform Programme and joint working arrangement with the Welsh Government;
- developing the Ways of Working strategy and programme;
- finalising and publishing a new Corporate Delivery Plan;
- launching an upgraded finance system; and
- making progress against the Commission's Carbon Neutral Strategy, including plans to connect to the District Heating Scheme.

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 Director of Finance 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 four 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
- Ken Skates MS, Commissioner
- Ann Beynon OBE, Independent Adviser (last meeting November 2022)
- Menai Owen-Jones, Independent Adviser (first meeting February 2023)
- Dr. Mark Egan, Independent Adviser (first meeting February 2023)
- Dr. Aled Eirug, Independent Adviser.

7. At the November meeting, Ann Beynon presented her reflections on her membership of the Committee since November 2018. The key messages were as follows:

- the professional quality of the Committee papers;
- the value and benefits of the amount of information-sharing, briefings and discussions outside of the formal meetings to aid Committee members' understanding of Commission activity;
- the meaningful approach to internal audit;
- the need to ensure effective interactions between the Commission's boards and advisory committees as the Senedd evolved; and

- the need for continued focus on the wellbeing of staff and the importance of providing honest feedback in line with the values of dignity and respect.

8. The Chair, on behalf of the Committee, thanked Ann for her contribution, insight and constructive challenge during her term as a member of the Committee.

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

- Manon Antoniazzi – Chief Executive and Clerk / Accounting Officer;
- Nia Morgan – Director of Finance (last meeting November 2022);
- Simon Hart – Interim Chief Finance Officer;
- Ed Williams – 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 – Executive Director, Audit Wales;
- Gareth Lucey – Audit Manager, Audit Wales (until January 2023);
- Clare James – Audit Manager, Audit Wales; (from January 2023)
- Kathryn Hughes – Committee Clerk / Risk and Governance Manager; and
- Buddug Saer – Deputy Committee Clerk.
- Other Commission officials also attended meetings as required.

10. 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

11. The Committee has settled into a hybrid format, with the first hybrid meeting held in November 2022; up until then all meetings had been fully virtual (since April 2020). The technology, which allows for simultaneous translation in line with Commission policy, has worked well to facilitate this and allows the preferences of its members and officials around attendance to be accommodated.

12. 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.

13. 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:

- the development of governance structures for delivery of the Senedd Reform and Ways of Working programmes;
- development of a Corporate Delivery Plan and updated service planning approach;
- development of the budget strategy, and supplementary budgets;
- the management of risks associated with the launch of an upgraded finance system, including data migration risks;
- the management of cyber-security risks; and
- progress against plans for decarbonisation relating to climate change risks.

14. 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 2021-22 accounts by the external auditors, with no misstatements identified;
- the continued positive culture around developing and delivering the internal audit plan and the implementation of 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 delivering on major transformational changes.

15. The *Forward look* section of the Committee's 2021-22 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:

- monitoring progress of the new Corporate Delivery Plan

In June 2022, the Commission published its Corporate Delivery Plan. Details of this had been presented to the Committee by the Head of Governance and Assurance in February 2022. New service planning templates were also introduced alongside this and the Committee welcomes that, as well as clarifying priorities, and responsibility and accountability for delivery, this should facilitate better alignment of corporate and service planning with the budget cycle. Further details of this are included in the *Findings and observations* section of this report.

- medium term planning for the Ways of Working programme, which incorporates the estates strategy

The Committee was pleased to note that the Commission agreed to the development of a Medium-Term Resourcing Framework and that work was well advanced on its component financial and workforce plan. Further details on this can be found in the Commission's Annual Report and Governance Statement and in the *Findings and observations* section of this report.

- regular updates on UK Constitutional Change / Senedd Reform

The Committee was kept informed on both of these via comprehensive updates in the Commission's Corporate Risk Register, which it reviews at each formal meeting. The Director of Senedd Business also provides a corporate update on Senedd Reform at each meeting and a wealth of information has been shared with the Committee both in advance of formal meetings and outside of meetings in a timely manner.

- the Commission's communications and engagement strategies

The Commission's Communications and Engagement Strategy was shared with the Committee in June 2022. Whilst there has been no formal discussion in the Committee meetings, its members have taken a keen interest in this important strategy and reviewed updates via the Commission's Annual Report and Accounts.

- decarbonisation as outlined in the Commission's Carbon Neutral Strategy

Detailed briefing on this was provided ahead of an informal meeting of the Committee in September 2022. Officials, including the Director of Resources, the Commission's Environmental Manager, and the Head of Estates and Facilities Management attended the meeting. The District Heating project manager from Cardiff Council also delivered a presentation on the District Heating Scheme which the Commission had signed up to.

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

- attending an Executive Board meeting in March 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);
- recruitment of a new Chief Finance Officer and other senior officials; and
- recruitment of a new cohort of Independent Advisers.

17. 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 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.

18. 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:

- informal assurance activity such as advisory reviews outside of the formal internal audit programme;
- details of Heads of Internal Audit's participation in interparliamentary and other public sector fora; 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 review of service planning.

19. The Committee was pleased to note discussions and the sharing of information with other UK legislatures and public sector organisations, for example, 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*).

20. The Committee also received updates on areas considered by the Commission's former Remuneration, Engagement and Workforce Advisory Committee (REWAC). REWAC was replaced during the year by a Remuneration Committee.

2. Findings and Observations

21. 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

Finance system

22. In April 2022, the Commission launched an upgraded finance system. The Committee received regular updates on progress with this significant project, with a particular focus on the management of associated risks. It was pleased to note that the system had been introduced on time, with extensive testing and was working well. Further details on this can be found in the Financial management and performance section of the Accounting Officer's Governance Statement.

23. As referenced in the *Annual Report and Accounts and external audit* section of this report, there was a clean external audit of the 2021-22 financial statement with no recommendations. This was a significant achievement, particularly given the launch of the new finance system a month before the formal audit. An internal audit of the key financial controls was also carried out in November 2022. This audit, which focused on the controls around the new finance system and fraud prevention, reported a substantial assurance opinion. This provided further assurance to the Committee on the control environment relating to the system.

Changes to personnel

24. The Commission's Head of Finance retired in November 2022 and the Director of Finance also left the organisation in December 2022. Interim measures were put in place to ensure a smooth transition. This included the appointment of an Interim Chief Finance Officer in time to facilitate a handover period. A permanent appointment has now been made and arrangements are being made for a handover period in June. The Chair of the Committee has been involved in both recruitment exercises. An existing qualified and experienced official is providing temporary cover for the Head of Finance post pending the new appointee taking up post at the end of June.

Annual Report and Accounts and external audit

- 25.** The Committee supported the production of the 2021-22 Annual Report and Accounts, which included advising on the Governance Statement.
- 26.** 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.
- 27.** The Committee had previously suggested publishing the report in a more interactive format which it felt would improve readability and increase accessibility and was pleased to see this had been taken on board. The Committee was impressed with the interactive presentation of the 2021-22 report and found it easy to navigate with clear links to the annual reports on sustainability, diversity and inclusion, and official languages. The online version 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 2022 meeting, the Committee noted the Financial Statements Report (ISA260) and Management Letter and was pleased to note the clean audit with no misstatements identified. There were only a few minor amendments to the supporting narrative, and no recommendations arising from the audit. The Committee also noted the positive steps taken to clarify the classification of capital expenditure during the year, something which had been identified late in the audit process the previous year. Issues around the revaluation of assets were also resolved quickly between officials and auditors.
- 29.** The Auditor General for Wales issued an unqualified audit opinion on the financial statements in June 2022.
- 30.** 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 were able to rely on Internal Audit's work. Updated auditing standards introduced during the year means that they

would no longer be allowed to rely on this in the same way although the work carried out on the internal audit of Members' expenses would still be taken into account.

31. The Committee is pleased that, based on the successful arrangements of previous years, auditors were able to carry out interim audit work during March 2022, ahead of the full audit in May.

32. 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.

33. The Committee welcomed early sight of a draft Governance Statement for 2021-22 in April 2022 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.

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

Internal audit

35. 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. The Commission adopts a co-sourced partner arrangement whereby certain audits are carried out by a third-party provider. This arrangement has 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 helps to ensure the independence of the audit work. During the year the contract for the co-sourced partner came up for renewal, and was awarded to Haines Watts Controls and Assurance Limited, which has since been rebranded as Validera. The Committee was kept informed of developments relating to the renewal of this contract which was awarded in August 2022.

36. The Committee reviews all formal audit reports. Those reviewed throughout the year, along with other advisory reviews, are listed below. The Committee also received updates on progress against management's implementation of audit recommendations.

- Dissolution and Winding up of Members' Offices (formal audit – moderate assurance)
- A follow-up audit on previous Cyber Security recommendations
- Official Languages Scheme (formal audit – moderate assurance)
- Members' Expenses (formal audit – substantial assurance)
- Key Financial Controls (formal audit – substantial assurance)
- Review of Lessons Learned from Covid 19 (advisory review)

37. The Head of Internal Audit was also commissioned to carry out a mid-term effectiveness review of the Independent Remuneration Board of the Senedd. His report was published on the Board's Intranet pages in January 2023 along with its response in April 2023.

38. Reviews of business continuity arrangements, the controls in place to manage risks relating to the regulatory framework as it applies to Members of the Senedd and an advisory review of the effectiveness of the Commission's Executive Board are also well advanced.

39. The Committee is pleased to note the continued positive engagement with internal audit by management and the timely and constructive implementation of recommendations. Assurances have been received from the Head of Internal Audit that all recommendations from previous years have been completed, with the exception of one recommendation which will now be picked up in an audit due to take place in 2023. The Committee also welcomes a continued focus on maintaining an appropriate balance of audits across services and directorates.

40. 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 2022-23. There were also no internal whistleblowing disclosures.

41. The Head of Internal Audit's Annual Opinion and Report for 2022-23 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.

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

43. 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 qualified member of his team. The Committee also receives assurances from the Head of Internal Audit and remains satisfied that the independence of the role is protected with no conflict of interest in carrying out the audits.

44. 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

45. 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.

46. 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.

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

Risk Profile

48. 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.

49. 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 as well as a 'deep dive' at its April 2022 meeting. 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 objectives. During 2022-23, there were no personal data loss incidents which required reporting to the Information Commissioner's Office (ICO).

50. At the end of the reporting period, four of the seven 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 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

51. 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 was developed to bolster the assurances both to the Committee and Commission management. This comprehensive report, which was refined during the year to take on board feedback from the Committee, forms an important part of the ongoing assurances on the management of cyber-security risks. Cyber-security will also remain on the annual internal audit plan.

52. 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 has also actively participated in discussions around

raising awareness of cyber-security threats and their mitigation with Members of the Senedd.

53. The Commission's ICT service have confirmed that there were no cyber-security incidents that resulted in data breaches in 2022-23.

54. 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, including raising awareness of the threats and mitigation with Members and their support staff.

Assurance framework

55. 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 weaknesses. This is routinely reviewed to validate arrangements.

56. 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.

57. 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.

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

59. During the year, the Commission has been following progress of a "Golden Thread" project being led by the Government Internal Audit Agency (GIAA), which is an executive agency of HM Treasury). The aim of this project is to standardise the mapping of assurances across UK Government departments. Whilst there are elements of this that could be explored, the Chair noted that the approach

adopted by the Commission was already following best practice and in a way which was workable and proportionate.

Planning framework

60. The Committee attaches particular importance to the introduction of an updated planning framework by the Commission. As referenced in the *Summary of activity and considerations* section of this report (paragraph 16), a Corporate Delivery Plan (the 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 2022-23, the Executive Board agreed to refresh the Plan for 2023-24 and frame it 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.

61. Alongside this, the Commission has agreed to the development of a Medium-Term Resourcing Framework. This Framework, due to come into effect fully in 2024 but requiring significant preparatory work during the 2023-24 year, will comprise:

- a draft 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;
- a draft Portfolio Management Framework, containing draft strategy, delivery and resourcing plans, setting out how corporate projects and activities will be developed, assessed, approved and monitored;
- a refreshed annual corporate planning cycle; 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.

62. These four elements will be combined, by September 2023, 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.

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

Committee effectiveness review

64. In line with its Terms of Reference, the biennial survey of the Committee's effectiveness was conducted during the summer of 2022 and results were reported at the November meeting. The survey was substantially updated in 2022 to take on board an Audit and Risk Assurance Committee effectiveness tool published by the National Audit Office (NAO), with an additional 21 questions and a number of the questions reworded.

65. The results were positive across each of the five areas measured, namely: Composition, Establishment and Duties; Administrative Arrangements; Governance, Risk Management and Internal Control; Audit; and Annual Report and Accounts.

66. The actions from the 2022 survey were mainly around improving the Committee's awareness of the Commission's work programme to inform its own forward work programme. The Commission's work programme was shared with Committee members and an 'Overview of Committee activity over the Fifth Senedd' section was included in its 2021-22 Annual Report.

3. Forward Look

67. 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 2023-24 – these largely reflect the areas identified for focus in the Accounting Officer's Governance Statement:

- 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;
- the effectiveness of the updated corporate and service planning framework and implementation of the Medium-Term Resourcing Framework;
- the management of risks relating to the regulatory framework as it applies to Members of the Senedd; and
- compliance with the Commission's Official Languages Scheme.

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 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 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

69. 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.

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

71. The Committee also observed the positive ways in which the Commission responded to the implementation of detailed planning and preparations in our response to the death of Her Late Majesty Queen Elizabeth II and the Royal visit by His Majesty The King.

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 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); **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 and will be 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.