

Audit and Risk Assurance Committee Minutes

05 March 2025

Microsoft Teams Meeting

Members

Karen Lewis	Chair of the Committee
Jack Evershed	Non-Executive member
Jason Smith	Non-Executive member
John Baker	Independent member
Anthony Pritchard	Independent member

Attendees

Alyson Thomas	Chief Executive
David Williams	Audit Wales
Joanne Bolton	Strategic Director of Operations & Corporate Services
Richard Bevan	Interim Board Secretary
Katie Holliday	Director of Finance
Paul Dalton	Head of Internal Audit
Mark Weston	Counter Fraud
Kirsty Contreras-Stacey	Governance Officer (minute taker)

Welcome and introductions, declarations of interest, apologies

- 1.1 The Chair welcomed everyone to the meeting and expressed a warm welcome to David Williams of Audit Wales.
- 1.2 Apologies were received and noted from Helen Goddard, Audit Wales.
- 1.3 Two new declarations of interest were declared from Karen Lewis and John Baker. It was agreed that these would be noted in the declarations of interest register following submission of the declaration forms. It was confirmed that

these did not impact on any items of the agenda for the meeting.

A25-03-01 - Declarations of Interest: Karen Lewis and John Baker to confirm the details of the new declarations and the Governance Officer would add them to the register. **Action:** Kirsty Contreras-Stacey

Minutes and actions and decisions of the last meeting

- 2.1 The minutes of the last committee meeting were agreed subject to amendment. It was agreed that the current wording would be amended to now read “A committee member expressed serious concerns on the current position with obtaining cyber essentials accreditation. It was confirmed that internal assessment work was being undertaken, and accreditation was being sought in the early part of the new year”.

Action and decisions of the last meeting

- 3.1 The Interim Board Secretary presented the current action log. Progress was noted against a range of the actions and the latest position of those yet to be completed was noted. It was also agreed that the completed actions could be moved to the completed actions section. This would include the complaints report action, following the receipt of the paper by the committee later in the agenda.

A25-03-02 – Actions: The Governance Officer to move the completed actions to the relevant section of the log.

Principles for the publication of Welsh public sector board and audit committee meetings – Llais assessment

- 4.1 The Interim Board Secretary presented an assessment regarding the current Llais position against the Welsh Government's recent publication 'Principles for the publication of Welsh public sector board and audit committee meetings.

The committee welcomed the assessment and the current positive position of Llais regarding compliance with the principles, because of the organisation's commitment to openness, transparency and clear public reporting.

There were a few additional actions that were required to ensure full compliance with the principles. It was agreed that approval would be obtained from each committee member to use members full names when publishing minutes in the public domain as part of the attendance list and this would also be undertaken for the Board and the other committee of the Board.

The Interim Board Secretary confirmed that the organisation would continuously monitor Llais compliance against the principles.

The Chair thanked the Interim Board Secretary and the wider team for their work in this area.

A25-03-03 – Naming convention of attendees within the minutes: Email approval to be gained from attendees to be named on attendance lists within the minutes of the Board and committees prior to publishing in the public domain. **Action:** Governance Officer.

Items for discussion, assurance and information Local Counter Fraud update and annual report

- 5.1 **Local Counter Fraud update and annual report** – The Local Counter Fraud Manager presented the Annual Counter Fraud Report for 2024/2025. It was confirmed that 4.5 days of the 5 allocated workdays for the service had been utilised for training

and awareness raising and support for the organisation up until the date of the report 20 February 2025. This included attendance at Llais Audit and Risk Assurance Committee and work on the Counter Fraud Policy, Standards of Behaviour Policy, Fraud Newsletter, Fraud Awareness Sessions and further advice and guidance. The remaining half day would be utilised by the end of the financial year.

The Committee thanked the Local Counter Fraud Manager for the report. It was confirmed that meetings were held between the Local Counter Fraud Manager and the Strategic Director of Operations and Corporate Services and that further discussions would be held regarding the plan for the coming year. An update would be brought back to the committee for consideration.

A25-03-04 – Counter Fraud Agreement: The Strategic Director of Operations and Corporate Services to continue to meet with the Local Counter Fraud Manager to monitor the current agreement and the framing of a plan for the coming year. **Action:** Strategic Director of Operations and Corporate Services

Items for discussion, assurance and information Corporate risk management report, including the revised corporate risk register

- 6.1 **Corporate risk management report including the revised corporate risk register** - The Interim Board Secretary confirmed that further work had been completed on the risk register. The document was a live working document and continuously updated monthly via Executive Team and Tîm Arwain.

The committee noted the further developments in the register's presentation and welcomed the changes that had been made. However, it suggested that work was undertaken on the covering paper to provide further information on the changes

from presentation to presentation. A committee member suggested providing an overview per quarter to demonstrate the progression of the risks and to explain in the covering report what material changes had taken place.

The Interim Board Secretary agreed to continue to build on the changes that had already been made to the risk register format and provide additional narrative in the covering paper for future meetings to enable the committee to better engage with the risk register. This would include updates/changes and a rationale as to why a risk had changed and show progression since the last committee meeting and review.

The committee also sought further assurance on the digital and cyber risks and the ongoing work that had been taken forward. The committee agreed that it would at its next meeting hold a deep dive on the digital and cyber risks. The Strategic Director of Operations and Corporate Services agreed to make the arrangements to independently facilitate this approach/discussion.

The committee also agreed with the principle of using the deep dive approach for future scrutiny of key risks on the register, where further assurance was sought.

A24-12-05 – Risk Register – To provide an enhanced narrative paper with further information on the progress since previous committee meetings. **Action:** Interim Board Secretary

A24-12-06 – Risk Register – Deep dive required on CR9/8, which would be scheduled for the June 2025 meeting of the committee. **Action:** Strategic Director of Operations and Corporate Services.

To receive the Internal Audit Services update report, including completed internal audits

- 7.1 The Head of Internal Audit presented the latest internal audit update report on progress with the internal audit programme.

- 7.2 It was confirmed that Internal Audit had now concluded the field work for the finance review, and that the report was being produced, which had taken longer than hoped. The review report would first go to management for consideration and agreement of responses to recommendations and would be submitted to the June 2025 meeting of the committee.
- 7.2 The Head of Internal Audit confirmed that all 3 outstanding Internal Audit reports for 2024/25 would be brought to the next committee meeting in June 2025. The committee sought assurance that the reports would be delivered on time given the recent delays and in time to feature in the Head of Internal Audit's opinion for the annual report and accounts. It was confirmed that all necessary work would be completed.

It was also confirmed that the Head of Internal Audit's opinion was based on an overall assessment of Llais, including internal audit's engagement with the organisation and that the reports were one of the sources of evidence to inform the framing of the opinion.

Audit Wales - To receive an update report and forward plan

- 8.1 The Audit Manager, Audit Wales confirmed that a 2023/24 reflection and learning session had been held with Llais finance colleagues on the learning from the previous annual accounts process and to plan for the coming year.

Audit planning for 2024/25 was currently underway and the delivery of draft accounts would be produced early July 2025. Audit Wales would continue to engage closely with the organisation on the annual report and accounts processes over the coming months.

To receive an update on the audit recommendations tracker

9.1 The Interim Board Secretary presented the latest update to the audit recommendations tracker. Significant work had been undertaken since the last meeting to ensure that actions had been completed. Also, all the recommendations from last year's ISA260 from Audit Wales had been assessed by management as having been completed.

The Interim Board Secretary confirmed that the tracker was regularly reviewed by the Executive Team and was a feature of the monthly Tîm Arwain meetings. Permission was sought from the committee to move the completed actions to the completed section of the tracker.

The committee noted the progress that had been made. It was suggested by committee members that the cover paper be extended to provide further narrative on the monthly updates/changes and to particularly highlight what had changed as a result and what remedial action might be required.

The Head of Internal Audit commented that it was positive to note the progress made, but also the continuing scrutiny of the committee, which was a positive approach in good governance terms.

The Chair thanked all involved for all the hard work on the progress with the tracker and responding to the recommendations.

To receive the finance update report to the end of January 2025 and general financial position for Llais

10.1 The Director of Finance presented the finance update report to the end of January 2025. It was confirmed that the Welsh Government had provided £97,000 additional one-off funding to

address the impact of the 5.5%, Agenda for Change cost-of-living increases.

- 10.2 The Director of Finance confirmed that the Welsh Government had also provided £87,500 to support Llais' office moves. The funding was dependent upon several criteria including the moves taking place by the 31 March 2025 and all associated expenditure being incurred by 31 March 2025.

As it had not yet been possible to identify suitable premises for the Swansea, Neath and Port Talbot region the Welsh Government had confirmed that the allocation provided to Llais would consequently be reduced by £15,000 to £72,500. To date £69,000 of this £72,500 had been committed.

The committee noted the report and the latest financial position for the organisation.

Budget 2025/26 - update

- 11.1 The Strategic Director of Operations and Corporate Services confirmed that the Welsh Government had published its final budget on 20 February 2025. The proposed Welsh Government budget allocation for Llais fell short of Llais' first draft budget estimate by £313,000. The Welsh Government had indicated that it had increased Llais' budget across all budget lines (staff and non-staff costs) by 3%.

The Welsh Government had also verbally indicated additional financial support was anticipated for the public sector. This was to fund the increase in staff costs because of the National Insurance changes due to come into effect from April 2025. This had not yet been confirmed.

- 11.3 The Executive Team would review and scrutinise a proposed Llais budget plan in the coming weeks, and it would be aligned to the draft annual plan 2025/2026 that was currently under development. The Board would receive the proposed budget plan to sign off at the March 2025 Public Board meeting. The

accompanying report would include information on the impact of working on a lower budget than estimated.

To receive an update on the Digital, cyber and IT arrangements – update on developments

- 12.1 The Strategic Director of Operations and Corporate Services confirmed progress had been made since the last report. Significant progress had been made regarding achieving Cyber Essentials Accreditation. It was anticipated that this would be confirmed within the next week.

The team had primarily focused on responsive work, with limited capacity for strategic planning. However, steps were identified and agreed, and had been taken forward to build a stronger, forward-looking programme. It was recognised that IT involved reactive work and would continue, but that forward planning also needed to be a priority.

Significant IT and digital work had also been required in recent weeks in support of the office moves across Llais.

- 12.2 It was confirmed that further work was being undertaken on the business continuity plan and that this would be brought forward for consideration in the coming weeks.
- 12.3 Additional staff resource would be joining the team for the next few months and would be focusing on information governance, privacy notices and developing an Artificial Intelligence (AI) policy.

To receive for assurance – Feedback, concerns and complaints update, Gifts and hospitality update, Declarations of interest update

- 13.1 **Complaints** – The Strategic Director of Operations and Corporate Services reported that all regions and the national team were also looking at ways to capture the positive

feedback that the organisation receives to also better reflect this in reports.

It was explained that the Executive Team received numerous emails noting positive feedback and thanks from the public for the service they received from Llais. All Regional Operations Managers had been requested to capture the positive feedback which would allow a summary or key themes to be reported to the committee, as well as to allow celebrations to take place with colleagues.

This was something that would be welcomed by staff following the feedback from staff survey.

13.2 Gifts and hospitality - The Interim Board Secretary confirmed that all regions had been engaging and actively updating the Gifts and Hospitality register. This register was monitored regularly for audit purposes.

13.3 Declarations of interest – The Interim Board Secretary reported that a complete review of the declarations of interest across the organisation had been undertaken since the last meeting. A new log had been designed which included Board and Independent member declarations and declarations from staff across all corporate departments and regions.

Each region was currently working with their volunteers to obtain their declarations of interests.

As at the end of February 2025 all Board members had made a declaration which would be rechecked at the end of March 2025. The register, in addition to Board members, also now had comprehensive coverage of the organisation with virtually all members of staff having made a declaration as required, except for those staff members who were on long term absence.

Annual report and accounts 2024/25 – outline programme and timetable for development and finalisation

14.1 The Interim Board Secretary confirmed that the 2024/25 Llais Annual Report and Accounts was currently in the planning stage and would reflect the full activities, performance, and

governance arrangements of the organisation highlighting its work across its second full operational year.

An internal Annual Report and Accounts Working Group had been established. This was scheduled to meet for the first time on 13 March 2025. The group would manage the development and production of 2024/25 Llais Annual Report and Accounts.

It would also take the opportunity to reflect on the learning from last year's approach. This would build on the review work already undertaken by the finance team with Audit Wales.

The scope on the Annual Report and Accounts would be in line with the approach used to produce last year's documentation. It would also follow the requirements of the Government Financial Reporting Manual 2024/25 and the Accounts Direction issued by Welsh Government.

The Interim Board Secretary presented an indicative timeline for production of the documentation, which also included earlier engagement with the committee and the Board on the development of the content of the annual accounts and report documentation.

The committee supported the proposed approach and looked forward to engagement and discussions on the content of the documentation and the finalisation in readiness for Board approval by October 2025, which would be 2 months earlier than last year.

The Interim Board Secretary also explained that this might require scheduling additional meetings of the committee as part of the development and finalisation processes and the committee agreed to hold additional meetings, as required.

To discuss the forward work programme 2025/26 and committee effectiveness review arrangements

15.1 The Interim Board Secretary confirmed that a draft 2025/26 forward work plan had been prepared.

15.2 The Interim Board Secretary also confirmed that the committee would as part of good governance be required to undertake an effectiveness review. Initial discussion had been held with the chair of the committee, and it was agreed to use the National Audit Office checklist.

It was agreed that all committee members would complete the checklist and submit the effectiveness self-assessment checklist to the Interim Board Secretary by the end 21 March 2025. The Interim Board Secretary would then collate the responses to use as the basis for the effectiveness review session.

It was agreed that an additional meeting of the committee would be organised to undertake the effectiveness review, further discussion would be undertaken on the forward work programme and an update provided on the progress with the annual report and accounts.

The committee also noted the progress that had been made against the development areas it had agreed following last year's effectiveness review. This too would be further reflected upon at the forthcoming session.

A25-03-07 - Effectiveness review - All committee members to complete the effectiveness review and submit to the Interim Board Secretary by the 21 March 2025 **Action:** All/Interim Board Secretary

A24-12-09 - Additional Committee meeting: The Interim Board Secretary to organise an additional meeting of the committee to undertake the effectiveness review. **A24-12-06 – Additional meeting:** Interim Board Secretary.

Date of next meeting

25 June 2025 – 13:00pm
Microsoft Teams Meeting