

## **LDBCW Audit and Risk Assurance Committee 2021-22 Annual Report**

### **1 Purpose**

- 1.1 This report summarises the main work of the Local Democracy and Boundary Commission for Wales' (LDBCW) Audit and Risk Assurance Committee during the period 1<sup>st</sup> April 2021 – 31<sup>st</sup> March 2022. The role and membership of the Committee is defined in the Terms of Reference (Appendix 1). The prime role of the Committee is to provide independent advice and assurance to the Accounting Officer of LDBCW. During the year the Committee has monitored the strategic processes for risk, control and governance supplemented by the results of internal and external audits. The Committee played a key role in defining aspects of the audit work and monitoring the management response to the issues raised.
- 1.2 This report describes how the Audit and Risk Assurance Committee met its responsibilities during 2021-22 and the outcome of work to improve further the governance and management of the organisation. The report is intended to provide assurance to inform the Accounting Officer's Governance Statement to be included in LDBCW's Annual Report and Accounts for 2021-22.

### **2 The work of the Committee during 2021-22**

#### **Membership**

- 2.1 During 2021-22 there was a change to the membership of the Committee when Committee Member Theo Joloza ended his appointment in June 2021. LDBCW Commission Member Julie May was co-opted to serve on the Audit and Risk Assurance Committee for the July and November 2021 meetings. I served as the Committee Chair, David Powell as Committee Member and Julie James as Independent Member throughout 2021-22. Mr Powell is a Member of the LDBCW and I am Deputy Chair of the LDBCW. The current appointments for Mr Powell and myself are for terms of 2 years and 6 months until 31 March 2022. Julie James' appointment as Independent Audit and Risk Assurance Committee Member is for a term of 3 years until 31 August 2022.
- 2.2 The external Auditors (Audit Wales) and the Internal Auditors (TIAA Ltd.) attended all meetings to provide support and advice to the Committee.

#### **Meetings**

- 2.3 There were three scheduled meetings during the Year – 26 July 2021, 29 November 2021 and 28 February 2022. Due to the ongoing COVID19 pandemic restrictions, meeting attendance during the year was a hybrid of attendance in person and via Microsoft Teams. David Powell, Julie James and myself attended all the meetings. Julie May attended the meetings held on 26 July 2021 and 29 November 2021.

2.4 The Committee’s minutes detail allocated responsibilities and completion dates for agreed actions. This enables far more efficient tracking of progress on agreed actions to ensure that they are completed as planned or carried forward. The Committee’s minutes are published on the LDBCW’s web site.

### 3 Control environment

#### Internal Audit

3.1 The LDBCW’s Internal Auditors, TIAA Ltd., were appointed in 2020 following a competitive tendering exercise for a 5 year contract. They first presented their 5 year audit plan for 2020/21 onwards at the Committee meeting held on 27 July 2020. The scope of the audit work for the 5 years focuses on Corporate Governance and Risk Management and Financial Systems (including procurement) which are to be audited annually and also a rolling audit programme covering the other aspects of the LDBCW’s work and controls, which are:

- LDBCW and BCW Reviews;
- Strategic Controls;
- Key Financial Controls
- Pandemic Response;
- Human Resources;
- Data Protection Compliance; and
- ICT General Controls.

3.2 Internal audit work is carried out by discussions with appropriate staff, reading of documents and testing, as necessary, to confirm the effectiveness of the controls in place. Internal audit is carried out with due awareness of the risks of fraud and corruption in the processes under examination. When the internal audit work is completed, the findings and any recommendations made are discussed at a pre-arranged exit meeting before the internal audit report is drafted, agreed with management and presented to the Audit and Risk Assurance Committee.

3.3 During 2021-22 the Audit and Risk Assurance Committee reviewed the following reports provided by TIAA:

#### **Mid-Year Audit Report 2021-22**

Audit Area	Date Released	Weakness Identified			Assurance Level
		Urgent priority	Important priority	Routine priority	
Risk Management	October 21	-	-	1	Substantial

Strategic Control	October 21	-	-	-	Substantial
Payroll	October 21	-	-	2	Substantial

### Year End Audit Report 2021-22

Audit Area	Date Released	Weakness Identified			Assurance Level
		Urgent priority	Important priority	Routine priority	
ICT General Controls	February 22	-	1	2	Reasonable
Key Financial Controls	February 22	-	-	2	Substantial

- 3.4 The mid-year audit report provided a Substantial assurance rating for Key Risk Management, Strategic Controls and Payroll. These findings provide assurance that the LDBCW's arrangements are reducing its exposure to risk. The Committee noted the thoroughness of the audit work, practicality of recommendations and the open and positive response of LDBCW management.
- 3.5 The year-end audit provided Substantial assurance rating for Key Financial Controls and a Reasonable assurance rating for ICT General Controls. The LDBCW is taking steps to raise the audit assurance rating for Key ICT General Controls from Reasonable to Substantial by implementing the audit recommendations made as soon as possible.
- 3.6 The Follow Up audit report for 2021-22 provided a positive response for the implementation of prior year's recommendations with all outstanding recommendations having been implemented.
- 3.7 The Audit and Risk Assurance Committee receives progress reports on implementation of the audit recommendations at every meeting. During 2021-22 it was noted that the majority of external and internal audit recommendations had been implemented. The Committee will continue to monitor progress on the implementation of these outstanding recommendations.
- 3.8 The quality of the audit work and that of the Committee has been evaluated during the year through consideration of the audit reports and recommendations and dialogue at meetings between Committee Members and the Internal Auditors. In addition to this the Committee held an annual confidential meeting between Members and Internal Audit following the 28 February 2022 Committee meeting and completed an annual internal audit effectiveness assessment exercise and an Audit and Risk Assurance Committee good

practice evaluation checklist. Based on these, Internal Audit performance was assessed as effective.

### External Audit

- 3.9 The External Auditor of the LDBCW is the Auditor General for Wales. The Audit conclusions for the 2020-21 financial year contained in Audit Wales' Management Letter were reviewed at the 26 July 2021 meeting of the Audit and Risk Assurance Committee. An unqualified opinion was given on the 2020-21 Accounts. The report raised 2 audit recommendations.
- 3.10 Audit Wales' 2022 Audit Plan for auditing the LDBCW's 2021-22 financial statements was not available for consideration at the 28 February 2022 meeting of the Committee due to the template for the Plan being delayed. Audit Wales' 2022 Audit Plan will be distributed to Committee members for consideration as soon as it becomes available.

### Audit and Risk Assurance Committee Effectiveness and Impact

- 3.11 Committee Members completed the 2021-22 questionnaire in December 2021 and returned them to the LDBCW Secretariat for analysis of the responses. The responses indicated that compliance with good practice had been demonstrated in all areas.
- 3.12 During 2021-22 the Audit and Risk Assurance Committee's impact on the LDBCW was demonstrated by the following actions and proposals for change which were adopted by the LDBCW:
- suggested changes and additions to the LDBCW's Risk Registers throughout the year.
  - Proposed that the LDBCW undertake an ICT Security deep dive exercise.
  - Proposed that ICT Security training be completed by all LDBCW staff and Members.
  - Proposed that the LDBCW review their ICT risk register at all monthly Management meetings.
  - Proposed that consideration be given to extending the LDBCW's ICT security to cover staff and members' personal IT equipment where used for work purposes.
  - Proposed that LDBCW consider rejecting an new internal audit recommendation which they considered was sufficiently covered by existing risk management processes and procedures.
  - Proposed a change to the Internal Audit plan to remove the audit of review work and transfer the audit day to key financial controls in order to better reflect the work carried out by the LDBCW during the year.
  - conferred with and gained the views of external audit bodies with whom the LDBCW board does not have contact during the normal course of business.

- gained assurance on management processes and arrangements for dealing with fraud and provided external auditors with an understanding of this on behalf of the LDBCW; and
- reviewed the first draft of the LDBCW's Governance Statement and proposed amendments in order to move it towards best practice.

3.13 The LDBCW also gained assurance by receiving reports detailing the outcomes of the Audit and Risk Assurance Committee's meetings together with copies of the meeting minutes.

#### **4 Co-operation between Internal and External Audit.**

4.1 The Committee was satisfied that the Internal and External Auditors communicate and work together to minimize the level of any duplicated work and result in efficient and effective audit coverage. This was confirmed both by observation and evaluation throughout the year and at the confidential meeting between Committee Members and Internal Auditors held on 28 February 2022.

#### **5 Corporate Governance**

5.1 During 2021-22 the Audit and Risk Assurance Committee has continued to maintain high standards in Corporate Governance and internal controls. During 2021-22 the Committee:

- Reviewed and updated their Terms of Reference.
- Reviewed and updated their Annual Work Plan.
- Continued the practice of having its Members complete an annual self-assessment questionnaire.
- Continued the practice of holding an annual confidential meeting between Members and Auditors.
- Confirmed the effectiveness of Internal Audit during the year by conducting the annual internal audit assessment exercise.
- Received ICT Security reports from the LDBCW's technical support (Qualifications Wales) in respect of their new ICT system.
- Received progress reports on implementation of the audit recommendations at every meeting.
- Received a report on the LDBCW's business continuity response to the COVID19 pandemic.
- Received a report on the LDBCW's schedule of losses for 2020-21.
- Received a report on the LDBCW's verification of fixed assets exercise for 2021-22.
- Received reports on Freedom of Information requests.
- Confirmed that the LDBCW had maintained satisfactory systems for budget monitoring, risk management review, whistleblowing and fraud, IT data security and gifts and hospitality.
- Was satisfied that the LDBCW's Accounting Officer could be reasonably assured that the LDBCW's control, risk and governance arrangements in

2021-22 provided a sound and reasonable basis for her completion of the Governance Statement.

## 6 Risk Management

6.1 The LDBCW approach to risk management has proved to be an effective mechanism for identifying and mitigating risks and the procedures adopted have been commended by the LDBCW's auditors. The Risk Register was reviewed at all Committee meetings during 2021-22. The Committee remains satisfied that the register is a living document and accurately reflects the risks that LDBCW faces as they emerge and their likely impact. The risk register also notes the management actions that have been taken to mitigate and eliminate the risks.

6.2 During 2021-22 the main risks identified and managed by the LDBCW were:

Risk Identified	Mitigating Actions
Impact of Government restrictions and social distancing measures during corona virus pandemic	The risk in respect of the impact of COVID19 pandemic government restrictions was mitigated by enacting the Business Continuity Plan, providing the Commission with regular situation updates at meetings, cloud-based IT system allowing staff to work from home and remote Commission and management meetings, liaison with Welsh Government and key suppliers/ contractors, wellbeing staff survey undertaken and Internal Audit Pandemic response audit being undertaken.
LDBCW fails to maintain a good reputation, working relationship and communication with principal councils and key stakeholders.	The risk of failing to maintain good reputation and working relationship and communication with principal councils and senior stakeholders was mitigated by monthly meetings between Chair and Welsh Government, quarterly liaison meetings between Secretariat and Welsh Government, meetings with principal councils to discuss reviews prior to and during review, consultations with stakeholders on any new policies or major policy changes, post review questionnaires allowing stakeholders an improved opportunity to put forward their views on whether the Commission had carried out its functions properly and fairly, postponement of deadlines for review consultations to allow principal authorities more time due to pandemic, dealing all correspondence from principal authorities and stakeholders efficiently liaising with Welsh Government and obtaining legal advice where necessary and commitment to consultation on Policy & Practice for new Review Programme included in letter to principal authority CEOs.
Reputation and future review programmes seriously damaged by	The risks of reputation and future review programmes seriously damaged by work of the

<p>work of the Commission not being implemented by Welsh Government for 2022 elections due to overriding pressures elsewhere and any delay in WG signing review orders.</p>	<p>Commission not being implemented by Welsh Government for 2022 elections due to overriding pressures elsewhere and any delay in WG signing review orders was mitigated by obtaining Ministerial commitment to produce order for Monmouthshire community review, liaising with Monmouthshire principal authority regarding implementation of review proposals, seeking legal advice regarding the Monmouthshire community review, issuing a press release following final publication to inform principal authorities of the completion of the review programme, letters sent to First Minister, Welsh Government Minister and principal authority CEOs informing them of the completion of the review programme and putting arrangements in place to deal with Fol requests regarding electoral review recommendations.</p>
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### Consideration of the Sources of Assurance

6.3 The LDBCW gains assurance from various sources such as meeting reports etc. Details of the key areas of assurance and their sources is given in Appendix 2.

## **7 Budget 2021-22 and Financial Statements 2020-21**

7.1 The Committee reviewed the LDBCW's budget monitoring process for the 2021-22 budget at all meetings during the year and considered them to be appropriate and robust. The Committee reviewed the draft financial statements for 2020-21 in June 2021 in advance of the audit being undertaken. It considered the Auditor's report and any outstanding issues. Steps were then taken to ensure that outstanding issues were addressed by the LDBCW to enable an unqualified opinion to be issued on 28 July 2021.

## **8 Conclusion**

8.1 Based on the evidence available the Committee has operated to a high standard during the year and had a positive impact on the LDBCW, improving good practice. The Committee has obtained appropriate, reliable and comprehensive assurances on the LDBCW's internal control environment, financial reporting and ability to manage risks. During the year the LDBCW received both Reasonable and Substantial audit assurances from their internal auditors arising from the internal audit work undertaken. Although the Committee considers this to be a Reasonable assurance rating overall, they note that it is moving towards a Substantial assurance rating. The Committee is satisfied that the LDBCW's Accounting Officer can be reasonably assured that LDBCW's control, risk and governance arrangements in 2021-22 provided a sound and reasonable basis for her completion of the Governance Statement.

## **9 Acknowledgements**

- 9.1 I am grateful to David Powell, Julie May and Julie James as members and independent member of the Committee respectively for their work, contribution, assistance and support. The work of LDBCW management, supported by other staff, has been central to our work and their contributions are valued. I am also grateful to Julie Rees from Audit Wales and Helen Cargill from TIAA Ltd. Their support and advice has been very helpful and constructive during the year.

Ceri Stradling  
Chair of the LDBCW Audit and Risk Assurance Committee  
April 2022

## **LOCAL DEMOCRACY AND BOUNDARY COMMISSION FOR WALES**

### **AUDIT AND RISK ASSURANCE COMMITTEE**

#### **TERMS OF REFERENCE**

##### **1. Introduction**

- 1.1 The Local Democracy and Boundary Commission for Wales (the Commission) has established the Audit and Risk Assurance Committee to support them in their responsibilities of issues of risk, financial propriety, internal control and governance and associated assurance. The Chief Executive as the Accounting Officer has responsibility under the terms of the Commission's Framework Document and annual Remit Letter, issued by the Welsh Government, for the provision of adequate internal controls and will take into account the advice of the Audit and Risk Assurance Committee as appropriate.
- 1.2 The Commission also provides a secretariat to the parliamentary Boundary Commission for Wales (BCW) under a Memorandum of Understanding between the Commission, Welsh Government, Cabinet Office and the BCW. Under the terms of the Memorandum of Understanding the Commission will provide a single audit assurance to cover both bodies.
- 1.3 The Welsh Government's Director General for Education and Public Services designated the Commission's Chief Executive as Accounting Officer with effect from 7 January 2019.

##### **2. Membership**

- 2.1 The Audit and Risk Assurance Committee will normally be chaired by a Member of the Commission (provided they have relevant experience) but this practice will be open to review. The Chair of the Commission should not be the Chair or a Member of the Audit and Risk Assurance Committee.
- 2.2 The other members of the Audit and Risk Assurance Committee are:
  - An appointed Independent External Member; and
  - 2 Members of the Commission (excluding the Chair).
- 2.3 The Secretary of the Audit and Risk Assurance Committee should not be the Secretary of the Commission meetings.
- 2.4 Membership of the Audit and Risk Assurance Committee will be reviewed periodically.

##### **3. Reporting**

- 3.1 The Audit and Risk Assurance Committee will formally report to the Commission and Accounting Officer after each meeting.
- 3.2 The Audit and Risk Assurance Committee will provide the Commission and Accounting Officer with an Annual Report, timed to support finalisation of the

accounts and Governance Statement, summarising its conclusions from the work it has done during the year.

- 3.3 The Audit and Risk Assurance Committee will provide the Cabinet Office and BCW with the Audit and Risk Assurance Committee Chair's Annual Report.

#### **4. Meetings**

- 4.1 The Audit and Risk Assurance Committee will meet at least three times a year. The Chair of the Audit and Risk Assurance Committee may convene additional meetings as they deem necessary.
- 4.2 The timing of the meetings and the areas of work to be dealt with are set out in the Committee's Annual Work Plan. The Annual Work Plan should be drafted by 1 April and reviewed by the Chair of the Audit and Risk Assurance Committee before being circulated to Committee Members for comment.
- 4.3 A minimum of 3 members of the Audit and Risk Assurance Committee, one of whom must be the Chair or act as Deputy Chair, will be present for the meeting to be deemed quorate.
- 4.4 Audit and Risk Assurance Committee meetings will normally be attended by the Accounting Officer, Deputy Chief Executive, Finance Manager, Head of Business and representatives of both Internal and External Audit.
- 4.5 The Audit and Risk Assurance Committee may ask any other officials or Members of the Commission to attend to assist it with its discussions on any particular matter.
- 4.6 The Audit and Risk Assurance 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.
- 4.7 The Accounting Officer may ask the Audit and Risk Assurance Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.
- 4.8 The Chair and Members of the Committee will hold a confidential meeting with representatives of Internal and External Audit annually to receive their feedback on the effectiveness of the Committee and any other matters in relation to the Commission's governance arrangements. This arrangement will not preclude any additional meetings between Committee Members and representatives of Internal and External Audit deemed necessary.

#### **5. Authority and Rights**

- 5.1 The Audit and Risk Assurance Committee is authorised by the Commission to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any Commission employee or Member and all employees and Members are directed to co-operate with any request made by the Audit and Risk Assurance Committee. The Audit and Risk Assurance Committee will ensure that the Commission has adequate corporate governance policies in place by reviewing the Corporate Governance at every meeting.

- 5.2 The Audit and Risk Assurance Committee may co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience.
- 5.3 The Audit and Risk Assurance Committee may procure specialist ad-hoc advice at the expense of the Commission subject to budgets agreed by the Commission.

## **6. Access**

- 6.1 There will be free and confidential access between the Chair of the Audit and Risk Assurance Committee and representatives of Internal and External Audit.
- 6.2 There will be free and confidential access between the Chair of the Audit and Risk Assurance Committee and Members of the Audit and Risk Assurance Committee.

## **7. Responsibilities**

- 7.1 The Audit and Risk Assurance Committee will advise the Accounting Officer and Commission on:
- the strategic processes for risk, control and governance and 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 external auditors.
  - the planned activity and results of both internal and external audit.
  - adequacy of management response to issues identified by audit activity, including external audit's ISA 260 report and management letter.
  - assurances relating to the corporate governance requirements for the organisation.
  - assurances relating to ICT data security arrangements for the organisation.
  - The soundness of budget monitoring arrangements.
  - The soundness of arrangements for dealing with Freedom of Information requests.
  - proposals for tendering for either Internal or External Audit services or for purchase of non-audit services from contractors who provide audit services.
  - anti-fraud policies, whistleblowing processes and arrangements for special investigations.
  - proposals for contentious accounting issues such as compliance exceptions and exemptions.

## **8. Information requirements**

- 8.1 In order to discharge their responsibilities outlined in paragraph 7 above, the Audit and Risk Assurance Committee receives the following information as appropriate:
- A report of any reviews of the Commission's Risk Register and Risk Management Policy.
  - The Internal Audit Plan.
  - The External Audit Annual Audit Plan.
  - Progress reports from the Internal Audit representative summarising work performed, key issues emerging, management response to audit recommendations and any resource issues affecting the delivery of internal audit objectives.
  - Internal Audit's Annual Opinion and Report.
  - Management response to audit recommendations.

- The Commission's draft Financial Statements and statutory accounts prior to audit by External Auditors.
- The Commission's draft Financial Statements and statutory accounts prior to signing by Accounting Officer.
- The draft Governance Statement.
- External Audit's Audit of Financial Statements Report and any other external audit outputs.
- Changes to accounting policies.
- Changes to the Operational Plan.
- A report on budget considerations.
- A report on Freedom of Information requests.
- A report on ICT data security arrangements.
- A report on any proposals to tender for audit functions.

## **9. Minutes**

- 9.1 The Minutes of its meetings shall be circulated to all Commission Members and representatives of Internal and External Audit.

## **10. Review of Terms of Reference**

- 10.1 The Audit and Risk Assurance Committee Terms of Reference will be reviewed annually to ensure it continues to remain relevant and reflect any changes to the Commission's status.

## **11. Document Date: July 2021**

## Appendix 2

Key Areas requiring Assurance	Board Assurance Framework	Sources of Assurance		
		1 <sup>st</sup> level	2 <sup>nd</sup> level	3 <sup>rd</sup> level
Governance, Decision Making and accountability	Board Assurance Framework Objective 2	Accounting Officer requirements.  Organisational structure.  Scheme of delegation.  Policies & Procedures.	Reports to Commission meetings of decisions taken or for approval.  Timetable for policy reviews by Commission.  Structures kept under review by CEO and Commission.  Annual Governance Statement.	Internal Audit reports on Corporate Governance - separation of duties and compliance with controls.  ARAC periodically reviews probity policies.  ARAC Annual Report and review of Governance Statement.
Risk Management	Board Assurance Framework Objective 2	Risk Policy and Management Arrangements.	Board Assurance Framework in place and reviewed by Commission as part of Risk Register.  Commission reviews Corporate Risk Register monthly.  Operational Risk Register reviewed by Management Team with trigger point set for elevation of risks to Corporate Risk Register.  Pensions Risk Register reviewed by Management Team.	ARAC review Operational and Corporate Registers at every meeting.  Annual Internal Audit report on Risk Management.  ARAC review of Pensions and ICT Risk registers annually.
Strategic Planning	Board Assurance Framework Objective 1	WG Remit Letter and Operational Plan reports to Commission meetings.	Strategic Plan report to Commission meetings.  Commission agree vision and high level objectives for the organisation.	Internal Audit reports on Strategic Planning.
Openness and Transparency	Board Assurance Framework Objective 2	Comprehensive website meets expectations of openness and transparency.	Pay Policy Statement	Governance Statement
Values & Culture	Board Assurance Framework Objective 2	Management Team set values and culture for staff under-pinned by Training and PDR process.	Commission's approach to openness, honesty and accountability complements the Management Team's approach.  Governance Statement.	Reports to Commission on results of Staff Surveys.  Investors In People Reports.  ARAC.
Leadership	Board Assurance Framework Objective 2	Accounting Officer Requirements.	Commission set out explicit expectations for the organisation in Strategies and Plans.	Internal Audit Reports on Corporate Governance.
Information and Data Security	Board Assurance Framework Objective 2	Information and Data Security procedures in place.	Review of compliance by the Commission.	Periodic Internal Audit Reviews.

			Staff Training Register record of completion of mandatory staff training.  Commission Member nominated ICT Champion.	Reports on ICT Security from Qualifications Wales to all ARAC meetings
Freedom of Information	Board Assurance Framework Objective 2	Accounting Officer requirements	Reports to Commission	FoI Reports to ARAC
Workforce Planning	Board Assurance Framework Objective 1	Reports produced by CEO/DCE identifying staffing needs.  Pay Policy.	Reports to Workforce Sub-Committee for approval.	Commission approval on staff structure changes
Developing our staff and members	Board Assurance Framework Objective 1	Comprehensive Induction and Training.  Regular PDR reviews.	Report to Commission meeting on outcome of Investors In People reviews.	Investors In People review reports.
Health, Safety and Wellbeing of Staff	Board Assurance Framework Objective 2	Sickness Absence Policy.  Health & Safety Policy.  Dignity at Work Policy.  Whistleblowing Policy	Reports to Workforce Sub-Committee.	Review of compliance by ARAC if necessary  Small Workplace Health award.
Equality and Diversity	Board Assurance Framework Objective 2	Equality Opportunities Policy.	Review of compliance by the Commission	Review of compliance by the ARAC if necessary.
Welsh Language Compliance	Board Assurance Framework Objective 2	Welsh Language Scheme.  Welsh Language Standards.  Actively seek Welsh Language skills and resources	Review and monitoring of Welsh Language Standards by the Commission.	Compliance checks by Welsh Language Commission.
Service Delivery – Service Reviews VFM	Board Assurance Framework Objective 1	Clarity of roles for service reviews.  Timetables for delivery of reviews.  Quality control arrangements in place.  Desk Instructions.  Policy and Practice.	Lead Commissioners support review team and add extra layer of QC.  Welsh Government approval of budgets	Internal Audit reports on compliance with quality control arrangements.  Statutory Consultation.
Service Delivery – audit quality	Board Assurance Framework Objective 2	Tender process and evaluation of bidders against set criteria.	On-going assessment of work programme and outputs by ARAC.	Annual internal audit assessment by ARAC.
Formally approved budgetary systems	Board Assurance Framework Objective 1	Remit Letter Funding plus Cabinet Office Funding for year.  Budget setting report to Commission meeting	Future Budget estimates and profiles reported to Commission.	ARAC review Budgetary System for adequacy.  Annual Internal Audit review of Budgetary Control.
Budget accountability/ delegation	Board Assurance Framework Objective 2	Scheme of Delegation / authorisation.	Commission review of budget.	Internal Audit reports.
Budgetary risks	Board Assurance Framework	Management Team review of budget risks on on-going	Financial risks recorded on Corporate Risk	ARAC oversight of Commission reviews of

	Objective 1	basis.	Register for Commission attention.	financial risks.
Financial information & systems controls	Board Assurance Framework Objective 2	Schemes of delegation internal financial controls and separation of duties.	Budget monitoring reports monthly to Commission.	Internal Audit reports on governance and internal control.
Budget monitoring and reporting	Board Assurance Framework Objective 2	Budget reports to Management Team.	Budget monitoring reports monthly to Commission.	ARAC reviews budget reports.  Internal Audit reports.
Investigations of variances/ actions	Board Assurance Framework Objective 2	Explanations for variance contained in budget reports to Commission meetings.	Approval of budget before and after changes.	Reports to ARAC meetings on Commission reviews of budget reports.
Control of revisions to budget	Board Assurance Framework Objective 2	Management team agree to budget revisions.	Budget reports to Commission meetings for approval of virement and refunds to Departments.	Reports to ARAC meetings on Commission reviews of budget reports.
Financial Accounts	Board Assurance Framework Objective 2	Contact specification and timetable for preparation of Annual Accounts.  Finance Manager monitors timeliness and quality.	Draft accounts sent to ARAC for review prior to audit.	External Audit ISA 260 report and Management Letter.  Annual Audit Opinion and Certificate.
Identification of fraud risks	Board Assurance Framework Objective 2	Management reviews of Operational Risk Register.  Whistleblowing policy in place	Commission reviews of Corporate Risk Register.	Internal Audit reports and agreed actions.
Counter fraud strategy	Board Assurance Framework Objective 2	Specific anti- fraud policies and adoption of new procedures e.g. checking changes to supplier contact / bank details.	Commission reviews of Fraud Policy.	Reports to ARAC meetings on any instances of fraud.  Internal Audit awareness raising of new risk areas.
Whistleblowing	Board Assurance Framework Objective 2	Whistleblowing policy and staff awareness.	Commission reviews of Whistleblowing Policy	Reports to ARAC meetings on instances of Whistleblowing.
Complaints	Board Assurance Framework Objective 2	Complaints Policy.	Commission reviews of Complaints Policy.	Reports to ARAC meetings on complaints received.
Business Continuity	Board Assurance Framework Objective 1	Continuity Plans in place and periodic testing carried out.  Document retention and destruction procedures in place.  Staff Wellbeing Survey.  Pandemic response arrangements	Update reports prepared for Commission.  Periodic review and approval of procedures by Commission.	Annual Reports to ARAC on BCP test.
Fixed Assets Management	Board Assurance Framework Objective 2	Asset verification exercise carried out.	Commission informed of outcome of reviews.	Annual Report to ARAC on assets verification exercise.
Losses	Board Assurance Framework Objective 2	Identification and recording of Losses procedures.	Register of Losses.	Annual Reports to ARAC meetings on losses for the year.
Gifts and Hospitality	Board Assurance Framework Objective 2	Gifts & Hospitality policy.	Gifts & Hospitality Register.	Reports to ARAC meetings on Gifts and Hospitality.
Procurement	Board Assurance Framework Objective 2	Procurement arrangements in place including formal tendering procedures.  Due diligence dealing with companies who may not be	Reports to Commission meetings on tender exercises.	Internal Audit reports on procurement arrangements.

		ethical.		
Environmental Issues	Board Assurance Framework Objective 2	Sustainability procedures established and staff awareness.	Commission considers outcome of Green Dragon Audit.	Green Dragon Audit report.
Board Assurance Framework Objective 1	Ensuring Review Work is carried out effectively and principal authority areas are fit for purpose.			
Board Assurance Framework Objective 2	Developing the effectiveness and efficiency of the business, adopting Welsh Government principles where possible and maintaining a high level of Corporate Governance.			