

# Report of the Audit and Risk Assurance Committee to the Children's Commissioner for Wales 2014/15

## Introduction

The financial year 2014-15 presented the Children's Commissioner and his office with some of the greatest challenges that have been faced since the establishment of the role. It proved to be a year of transition as the incumbent, Keith Towler, concluded his appointment, and his successor, Sally Holland prepared to commence her term. The year also saw a review of the Commissioner's role, undertaken on behalf of the Welsh Government, by the consultant, Mike Shooter.

As a result, a considerable amount of the office's time and effort was diverted to meet the requirements of these developments during the course of the year, and the Committee also played its part in advising and inputting towards the outcomes of these important milestones in the history of the Commissioner's function.

In addition to assessing the impact of these changes, the Committee has sought to continue to address its agenda that includes audit and risk, policy issues, strategic developments and the Commissioner's annual work-plan.

## Purpose of the Annual Report

The Committee is required to produce an annual report on its business, as set out in the agreed Terms of Reference.

The Children's Commissioner's Audit and Risk Assurance Committee is therefore pleased to present this report on its work for the year ended 31 March 2015.

## Membership

During the year the membership of the Audit Committee was comprised of:-

<u>Member</u>	<u>Attendance record</u>
Wyn Mears – Chair	5/5
Ian Summers	4/5
Greta Thomas	3/5
Iolo Doull	2/5
Aine Denvir	3/5

## Remuneration

Members did not receive any remuneration in accordance with the policy established by the Committee, but could be reimbursed for agreed out of pocket travel expenses incurred.

## Frequency of Meetings

The Audit Committee met in Swansea and Cardiff on five occasions during the course of the year 2014-15:-

April

June

July

October

January

Meetings of the Committee were always attended by the Children's Commissioner, the Commissioner's Chief Executive, and the Head of Corporate Services,

Representatives of the internal and external auditors were also regular attendees at meetings.

### **The effectiveness of the Committee**

The committee undertook to review its own effectiveness in April and June 2014, utilising HM Treasury's Handbook on Audit & Risk Assurance Committees as a guide to the key items that needed to be considered

A number of conclusions were reached as a result of the process, including:-

- the Nolan Principles should be included within the committee's terms of reference;
- the present membership of five Independent Members was considered appropriate;
- the 2014-15 Governance Statement will include a section on the attendance of members throughout the year;
- adequate arrangements should be put in place for the Chair to meet with each member of the committee on a regular basis
- training was needed to enhance the knowledge and understanding of members on the Office and the wider areas
- any future recruitment of members should be undertaken through advertising on-line methods and use of networks.

### **Agenda business**

Routine agenda items included:-

- Internal audit reports
- Annual Report and Accounts
- External audit matters
- Changes to the risk register
- Governance and internal control arrangements

Exceptionally, during 2014-15 the Committee devoted time to evaluating the potential risks that faced the Commissioner's office as a result of the transition from one incumbent to another, and members also provided input to the review that was commissioned by the Minister for Communities and Tackling Poverty, Jeff Cuthbert AM. The scope of the review included the legislative remit, scrutiny and governance arrangements of the Children's Commissioner for Wales, and members of the Committee met with the consultant for the project on a number of occasions during the course of the year.

The Committee ensures that adequate time is allocated to receive and consider a regular progress report from the Chief Executive, which enables members to fully understand the development of business, the execution of the work-plan, and to be briefed on current issues. As a result the Committee is able to develop its awareness of a number of matters that are material to the lives of children in Wales today, and some of the issues that give rise to additional pressures upon the Commissioner including matters arising from Operation Pallial, and the growth in the numbers of calls to the office.

## **Main Committee Business**

### **Internal Audit**

The Committee was pleased to receive a positive Internal Audit report from Baker Tilly. Specific areas covered within the 2014-15 report were:

- Governance arrangements – work completed indicated the Commissioner's office is doing everything that is required
- Risk Management – The review on Risk Maturity focused on the work undertaken in the development of risk within the organisation. The Commissioner's office is classed as a risk maturing organisation and is deemed to be dealing with risk.

In addition the Committee received detailed reports upon:-

- HR Policies and Procedures – focused on what policies were in place, if there were any gaps and what process is adopted to review the policies. The recommendations made related to issues around timings of up-dates to policies which stemmed from the need to review all policies in 2010.
- Equality and Welsh Language – focused on the compliance with the Equality Act and Welsh Language Measure. Issues identified related mainly to the duties under the Equality Act and the Committee noted that appropriate action had been taken to address these points.
- Key Financial Controls – The Committee was pleased to receive a very positive report with only a need for minor adjustments to be made.
- Transition and Business Continuity planning

## **Annual Accounts and External Audit**

### **ISA 260 Report:**

The Commissioner's accounts were audited by Grant Thornton on behalf of the Auditor General for Wales and completed according to in the agreed timetable. An unqualified audit certificate and nil report had been proposed. There were no significant issues to raise and all corrections had been made to the accounts. The Committee was pleased to note that there had been no substantive issues of concern.

### **Conclusion**

The Committee is satisfied with the level and quality of internal and external audit in 2014-15 as they relate to the Commissioner's arrangements for financial management, the wider corporate governance and identification of risk and management processes. Based on the findings of the auditors and its own conclusions, the Committee can provide the Commissioner with an assurance that the arrangements in place are appropriate and have been operating effectively.

### **Acknowledgments**

During a year of change and challenge the Committee recognises the professionalism and commitment of the outgoing Commissioner in handling a wide range of transitional business issues, whilst maintaining his focus on the needs of children in Wales. He was fully supported by his Chief Executive and the staff team, at times when there were unprecedented hurdles that needed to be overcome and sensitive political matters that had to be negotiated. As a result the office was able to emerge from a difficult period well-equipped to support the new Commissioner as she commenced her term of office.

The Committee would also wish to thank the Baker Tilly team for its work in undertaking the internal audit arrangements for the Commissioner up to 31 March 2015.

The Committee is also grateful to Grant Thornton for its work in assisting the Commissioner to submit annual accounts to the Wales Audit Office, and notes that there are likely to be changes to the arrangements with effect from 2015-16.

Members appreciate the ready support of the Commissioner, his Chief Executive, Eleri Thomas, Head of Corporate Services. Tony Evans, and the Committee's Secretary, Monica Roberts in assisting the Committee with the successful fulfilment of its business during the course of the year.

Wyn Mears

Chair of Audit and Risk Assurance Committee

October 12th 2015