

AUDIT AND RISK COMMITTEE REPORT

Purpose

1. To report to the National Committee issues that arose at the Audit and Risk Committee (ARC) meeting held on 23rd March 2009.

Background / Introduction

2. The ARC is a key component of corporate governance, works to the parameters set out in HM Treasury guidance for ARCs and works to support the National Committee.
3. Meetings are currently held three times a year and a summary of business is formally reported back to the National Committee after each ARC meeting.

Audit and Risk Committee Report

4. Attendance at the meeting on 23rd March 2009:

Name	Title	Role
Judith Webb Geraint George Tim Moss	Commissioner FCW National Committee Director of Corporate Strategy, Companies House	Committee Chair Committee Member Independent External Member
Trefor Owen Derek Stephen Jason Blewitt Keith Gliddon Liz Holmes John Leslie	Director FC Wales Head of Finance, FC Wales Wales Audit Office Director Finance, FC GB Head of Internal Audit, FC GB Internal Audit, FC GB	Accounting Officer Adviser WAO Audit Manager Adviser Adviser Adviser
James Laing	Secretariat	Secretary
Ceri Stradling		Apologies

Meeting Summary from 23rd March 2009

Risk Register, Risk Management, Information Handling and Cydcoed

Risks have been identified via the new Corporate Plan and Director is ensuring FCW board members are clear on risk ownership. The ARC identified that effective risk management requires input from non-executive officials and the Risk Register needs to be manageable, such as identifying the top ten risks.

A formal report on Information Handling has to go to the Cabinet Office in June. Currently there is a lack of guidance on information handling and FCW working practices and culture have not changed.

Director brought a new agenda item to the ARC covering business where something had gone wrong. There had been recent negative publicity given to a specific woodland in south Wales; now owned by a co-operative, that had been purchased through a Cydcoed grant. It had been subsequently determined by FCW that there was no security against this substantial asset, should the original terms of the Cydcoed grant not be met.

Internal Audit Report

A provisional assurance has been given on the Better Woodlands for Wales grant scheme and further evidence is required before this will be upgraded. WAO questioned the basis for the assurance given by Internal Audit, and Internal Audit confirmed that they would review the assurance given, if further evidence not forthcoming.

WAO Progress Report

There are two recommendations outstanding from the report - International Financial Reporting Standards (IFRS) and cash / bank statements. Additional resource has been employed in Silvan House to ensure the 08/09 accounts are delivered on time, and FCW Head of Finance is confident the accounts will be delivered. A formal project plan will be provided to support the delivery of the new IFRS in FY09/10.

WAO Value for Money Report

The VfM Action Plan progress report was shared with the committee and progress to meet the recommendations was outlined.

Internal Audit Strategy 09/10 - 11/12

Internal Audit outlined their strategy for the next 3 years.

ARC Chairs Meeting

This meeting last December had provided a useful opportunity to link business across the three countries and agree a standard protocol for publishing ARC business on the Internet.

Governance

The ARC noted that Geraint George would be stepping down from the ARC in September 2009 and that the National Committee would be charged with appointing a suitable replacement. The ARC also agreed to initiating a self-assessment following NAO best practice, and this will be implemented over the next 2 meetings in 2009.

Next Steps

5. The Audit and Risk Committee will next meet on 2nd July 2009.

Risks and Financial Implications

6. There are no risks or financial implications associated with this ARC Report.

Recommendations

7. The National Committee is asked to note:

- the ARC business listed in the summary above
- the ARC is delivering an effective function to the National Committee.

Judith Webb
Chair Audit and Risk Committee
25 April 2009