

Wales Audit Office Board
Minutes of the meeting on Thursday 20 March 2025
Held in the WAO Cardiff office and by Teams

Members:

David Francis	Non-executive member and Senior Independent Director, (SID), Chairing
Adrian Crompton	Chief Executive and Auditor General for Wales (by Teams)
Alison Gerrard	Non-executive member and Chair of the Remuneration & HR Committee (R&HRC)
Anne Beegan	Elected employee member
Chris Bolton	Elected employee member
Michael Norman	Non-executive member
Richard Thurston	Non-executive member

Apologies:

Ann-Marie Harkin	Executive Director of Audit Services (items 1 to 5)
Ian Rees	Non-executive member and Board Chair
Darren Griffiths	Appointed employee member

In attendance:

Anne-Louise Clark	Executive Director of Communications and Change (EDCC)
Ann-Marie Harkin	Executive Director of Audit Services (EDAS)
Kevin Thomas	Executive Director of Corporate Services (EDCS)
Katherine Drysdale	Board Secretary (minutes)
Nicola Evans	Head of Finance (item 6)
Darren Evans	Procurement Partner (items 7 & 8)
Richard Harries	Audit Director (item 9)
Matthew Hockridge	Head of Planning & Reporting, Data Protection Officer (items 10 & 11)
Kathleen Job	Law & Ethics Specialist, Deputy Data Protection Officer (item 11)
Anthony Veale	Audit Director (items 12 & 13)
Victoria Roberts	Senior Auditor (items 12 & 13)
Ceri Hughes	Change Programme Manager (items 12 and 13)
Abigail Phillips	Change Project Manager (items 12 and 13)

Observers:

Andrew Sear	Graduate Trainee
Helen Rees-Jones	Law & Ethics Specialist

Item	Agenda
1	Welcome and apologies
2	Declarations of interests
3	Review of action tracker
4	Chair's update
5	Report of the Chief Executive and Auditor General
6	Supplementary Estimate
7	Travel and Accommodation Contract
8	Microsoft 365 Licensing Contract
9	Anguilla Contract Extension
10	Annual Plan 2025-26

Wales Audit Office Board
Minutes of the meeting on Thursday 20 March 2025
Held in the WAO Cardiff office and by Teams

Item	Agenda
11	Data Protection Officer's Annual Report
12	Report from the Chair of the A&RAC (February meeting)
13	TRM / Hub Planner: review and demonstration
14	Review of the forward work programme
15	Any other business
16	Review of the meeting
17	Date of next meeting: (Wednesday 25 and) Thursday 26 June 2025

Item	Minutes	Action
Standing Items		
1	Chair's welcome and apologies for absence	
1.1	The SID welcomed members and those in attendance. He noted an apology for absence from Ian Rees and that Darren Griffiths would not attend, in accordance with the Board's Terms of Reference to enable the Board to meet quorum requirements.	
2	Declarations of interest	
2.1	There were no declarations of interest.	
3	Review of action tracker	
3.1	The Board received an update on delivery against actions on the Board action tracker.	
3.2	The Board discussed action WAOB/24/031 (financial reporting) and asked that an analysis be provided to explain the relationship between movements in income and expenditure for the 11 months of the year to date to provide insight for members prior to their consideration of the Annual Report and Accounts. The Board Secretary would update the action to reflect the information requested by the Board.	EDCS / HoF/ BS
4	Chair's Update	
4.1	The SID presented the Chair's report on work carried out since the last meeting. The Board Secretary updated the Board on the procurement for an independent Board effectiveness review.	
4.2	The Board noted the update.	
5	Report of the Chief Executive and Auditor General	
5.1	The Auditor General and Chief Executive presented his update and highlighted: <ul style="list-style-type: none"> engagement with Senedd Committees, including evidence given to the Local Government and Housing Committee and briefings planned for the Culture, Communications, Welsh Language, Sport, and International Relations Committee; 	

Wales Audit Office Board
Minutes of the meeting on Thursday 20 March 2025
Held in the WAO Cardiff office and by Teams

Item	Minutes	Action
	<ul style="list-style-type: none"> the value of working collaboratively with the other public audit bodies, including a project to co-develop a new audit of accounts manual with the NIAO; that the refurbishment and VAT issues in respect of the Penllergaer Office had been satisfactorily resolved, and he was grateful to the Head of Business Services and the EDAS for their work to reach a swift resolution; and that the Head of HR had achieved a CIPFA Diploma in Finance Skills for Public Sector Managers - for which the Board expressed its congratulations. 	
5.2	The Board noted that at various Wales week events in London, attended by Michael Norman, there had been both recognition of and positive feedback on the work of the Auditor General and staff at Audit Wales which he would share with staff.	MN
5.3	In response to a question on any potential implications of changes proposed by the UK government, such as in respect of NHS England, the Auditor General explained that the NHS structure was different in Wales. He did however anticipate that potential changes for Wales might emerge through political manifestos in the period preceding the Senedd elections and he would maintain a watching brief for proposals that could have implications for his work and for Audit Wales.	
5.4	The Board noted the update.	
6	Supplementary Estimate	
6.1	<p>The Head of Finance presented a Supplementary Estimate 2025-26 in respect of funding for additional National Insurance costs resulting from the UK Government's budget in October 2024. She briefly explained:</p> <ul style="list-style-type: none"> the National Insurance changes; the UK Government intention to compensate public sector employers for the cost of the increase for the next 5 years (albeit that allocations were yet to be confirmed); that a review had been conducted to establish whether Audit Wales could fund the extra cost by identifying savings and efficiencies but, with an already challenging savings target of £200,000 included in the Estimate for 2025-26, it was not possible to do so; and that the timing of the budget announcement meant the additional costs were not incorporated in Audit Wales's Estimate for 2025-26 which was laid before the Finance Committee on 31 October 2024. 	
6.2	The Board approved the Supplementary Estimate 2025-26 for submission to the Senedd Finance Committee.	
7	Travel and Accommodation Contract	
7.1	The Procurement Partner presented a paper outlining the process and outcome of a re-procurement exercise for Travel and Accommodation Services and explained that Board approval was required due to the cumulative value of the contract.	

Wales Audit Office Board
Minutes of the meeting on Thursday 20 March 2025
Held in the WAO Cardiff office and by Teams

Item	Minutes	Action
7.2	<p>The Board discussed:</p> <ul style="list-style-type: none"> the process for due diligence and supplier quality evaluation, which took place at the point when suppliers joined the Crown Commercial Services framework; social value considerations, noting the criteria and weighting within the framework for social value, and while it was not always possible to directly procure local services, there were still employment and economic benefits to the local areas; the opportunities to procure through Welsh Government frameworks, noting that these did not generally duplicate frameworks offered through Crown Commercial Services; and the location of the proposed supplier, noting that its staff and call centres were based in the UK. 	
7.3	The Board approved the award of the travel and accommodation contract to Clarity Travel Ltd for three years from 01 May 2025, with an option to extend for an additional year.	
8	Microsoft 365 Licensing Contract	
8.1	The Procurement Partner presented a paper outlining the process and outcome of a re-procurement exercise for Microsoft 365 licensing and explained that Board approval was required due to the cumulative value of the contract. He highlighted that Audit Wales had joined an aggregated procurement exercise run by Crown Commercial Services which had secured better pricing by pooling Audit Wales licence needs with those of ten other public sector bodies.	
8.2	The Board discussed the process and benefits of the aggregation exercise, including how the wider public sector could benefit from this type of procurement exercise, noting that the licences granted were specific to Audit Wales and not shared.	
8.3	The Board approved of the award of the Microsoft 365 licensing contract to Ultima Business Solutions for three years from 01 May 2025, with an option to extend for an additional year.	
9	Anguilla Contract Extension	
9.1	The EDAS introduced a paper seeking the Board's approval to enter a contract extension with the Government of Anguilla for the audit of the accounts for 2021, 2022 and 2023 and explained that she was also seeking an indication of the Board's appetite for exploring more commissioned work.	
9.2	The Audit Director outlined the benefits and risks of extending the contract and the fee income that it would generate and confirmed that undertaking the work would not compromise the WAO's ability to provide resources for the Auditor General's work programme. He also outlined the further opportunities that might be available relating to Anguilla and wider UK Overseas Territory, and how that work could support medium term delivery and workforce planning.	

Wales Audit Office Board
Minutes of the meeting on Thursday 20 March 2025
Held in the WAO Cardiff office and by Teams

Item	Minutes	Action
9.3	<p>The Board discussed the risks and benefits of extending the contract to complete the audits for 2021, 2022 and 2023, including:</p> <ul style="list-style-type: none"> the basis for a further contract extension, which would provide a degree of certainty to enable the new Anguilla government to bring their audits up to date before retendering the contract; ensuring that the Senedd and its Committees were aware of the work; reputational considerations, noting that the audit was not a glamorous engagement and provided valuable support to a self-governing British overseas territory; the contract, which had been reviewed and updated to provide appropriate protections; quality assurance for the audit, noting that experienced staff were involved in its delivery, usual quality processes were applied and that QAD could be asked to include the audit in their review; the impact on Audit Wales' carbon footprint, noting that travel to Anguilla was factored into environmental projections, but was minimised and arranged to be as efficient as possible; seeking assurance that the Audit Director as Chief Auditor was supported to discharge his duties and satisfied that the audit recommendations were being addressed; and the longer-term position and whether such work aligned with the wider strategy of the organisation. 	
9.4	Taking account of all the circumstances, the Board approved the contract extension to supply the external audit service for the Anguillan government's statutory accounts for 2021, 2022 and 2023. The Board indicated that any future contracts would need to have a strategic fit with the Auditor General's work programme.	
9.5	The Board briefly discussed the potential for further commissioned work in the future, noting that the focus for the next 18 months would be on the delivery of the Auditor General's statutory work programme. The Board agreed that a paper on the commissioned work strategy should be incorporated in its forward work programme.	
10	Annual Plan 2025-26	
10.1	The Head of Planning and Reporting presented the near final draft Annual Plan for 2025-26 which took account of the Board's input.	
10.3	<p>The Board thanked the Head of Planning and Reporting for his work in developing the plan and</p> <ul style="list-style-type: none"> approved the near final draft annual plan, and authorised the Chair and Auditor General to approve the final version for laying. 	Chair / AGW
11	Data Protection Officer's Annual Report	
11.1	The DPO presented his annual report for 2024-25 outlining key activities undertaken and providing an update on developments and risks with personal data processing. He explained that following the departure of the	

Wales Audit Office Board
Minutes of the meeting on Thursday 20 March 2025
Held in the WAO Cardiff office and by Teams

Item	Minutes	Action
	previous DPO on a career break he and the Deputy DPO had reviewed the work programme and had identified the key data protection risks facing Audit Wales with a view to informing their priorities for the forthcoming year.	
11.2	<p>The Board discussed:</p> <ul style="list-style-type: none"> the changes in legislation, noting that significant reforms were anticipated and the DPO and Deputy DPO were closely monitoring the progression of the legislation and its potential impact; the controls in place to ensure data protection compliance, noting the policy framework and the role of information asset owners in ensuring compliance; training and awareness raising activity, including mechanisms to test knowledge and compliance, noting that regular catch ups would be arranged with information asset owners to make checks; data breaches, noting that there had been no breaches that required reporting to the ICO, and staff were active in reporting both minor breaches and near misses and taking any remedial action advised; and the steps taken to mitigate the risk of data breaches, noting that training, guidance and awareness raising supported this, but human error remained a risk factor. 	
11.3	The Board thanked the DPO and the Deputy DPO for stepping into their roles, and for a clear and candid report which it noted.	
12	Report from the Chair of the A&RAC	
12.1	<p>The Chair of the A&RAC presented his report of the Committee's meeting on 27 February 2025. He explained that the Committee had:</p> <ul style="list-style-type: none"> discussed concerns regarding internal audit delivery, which had led to him writing to the HoIA and the development of an improvement plan which would be monitored closely; conducted a deep dive review in respect of IT infrastructure and while suitably assured that management were taking appropriate steps to mitigate the risk, there was more to do to address the developing digital landscape and an independent review had been commissioned to help map options; not identified a topic for a future deep dive and, following discussion with the EDCS, he intended to propose a revised approach which would see the Committee conduct focussed reviews of the mitigation plans for existing risks to give more targeted assurance; considered and supported the revised risk appetite statement; and considered and supported proposed changes to the Financial Management Handbook in respect of capital expenditure, intangible asset owners and asset disposal. 	

Wales Audit Office Board
Minutes of the meeting on Thursday 20 March 2025
Held in the WAO Cardiff office and by Teams

Item	Minutes	Action
12.2	The Board briefly discussed the concerns raised in respect of internal audit delivery and the next steps, including future options for the delivery of internal audit.	
12.3	The Board: <ul style="list-style-type: none"> • approved the revised risk appetite statement; • approved the revised Financial Management Handbook; and • otherwise noted the paper. 	
13	Time & Resource Management / Hub Planner	
13.1	The EDAS introduced a presentation which outlined: <ul style="list-style-type: none"> • the background to the development and implementation of Hub Planner; • the challenges identified in respect of the business adoption of Hub Planner; • the actions taken and improvements made to resolve the problems identified; • the lessons learned and how these would be applied in future projects; and • the current situation, including the positive outcome of the internal audit review. 	
13.2	The Change Programme Manager explained: <ul style="list-style-type: none"> • that the Hub planner project had been triggered by a need to replace software that would no longer be supported, and the wider context of the system had not been fully explored in the early stages of the project; and • how the analysis and learning from the post project learning exercise had been used to develop change project principles, rooted in good practice, which would be applied to future business transformation projects. 	
13.3	The Board discussed: <ul style="list-style-type: none"> • the cultural shift required in introducing a new IT system, noting that while there had been communication and engagement the project had been initiated in the immediate aftermath of the pandemic when there was significantly less in person working and engagement was not as extensive as it could have been; • resistance to the new system and the potential reasons for that, noting that while compliance had improved positive line management was needed to explore staff uncertainties regarding use of the system and support compliance, which was likely to feature as part of the performance management process; • the challenges of change implementation and the gaps in the process followed, noting that the speed of response to concerns raised reflected the maturity of the organisation in recognising the issues and addressing them swiftly and well; 	

Wales Audit Office Board
Minutes of the meeting on Thursday 20 March 2025
Held in the WAO Cardiff office and by Teams

Item	Minutes	Action
	<ul style="list-style-type: none"> the use of the ELT roadshows in autumn 2024 to outline the issues raised and the action taken in response; and using the principles as a foundation for future organisational change and taking time to fully explore and identify business issues and potential solutions. 	
13.4	The Senior Auditor provided a demonstration of the operation and functionality of Hub Planner and highlighted the detailed user guidance and checklists available on the HUB.	
13.5	The Board recorded its thanks for the open and informative presentation and discussion, and a helpful demonstration of the system.	
14	Review of the forward work programme	
14.1	The Board Secretary presented the Board's forward work programme for 2025-26 and explained that input had been sought from the ELT, Directors and Heads of Service on any other matters that they expected to bring to the Board over the forthcoming year.	
15	Any other business	
15.1	The EDCC indicated that preparation was underway for the next round of roadshows and she would brief Board members in due course.	
15.2	The EDAS reported that there had been a positive response to the recruitment campaign for the graduate trainee programme, but fewer applications for the apprentice scheme.	
16	Review of the meeting	
16.1	The Board noted feedback from observers, who commented on the candid discussions, strong levels of challenge and evident sense of team.	
17	Date of next meeting	
17.1	Board meeting –Thursday 26 June 2025	