

**Wales Audit Office Board**  
**Minutes of the meeting on Thursday 26 June 2025**  
**Held in the WAO Cardiff office and by Teams**

**Members:**

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

**In attendance:**

Anne-Louise Clark	Executive Director of Communications and Change (EDCC)
Ann-Marie Harkin	Executive Director of Audit Services (EDAS)
Derwyn Owen	Audit Director and Executive Director of Audit Modernisation and Impact (EDAMI) Designate
Kevin Thomas	Executive Director of Corporate Services (EDCS)
Katherine Drysdale	Board Secretary (minutes)
Owen Purcell	Independent Member of the Audit & Risk Assurance Committee
Matthew Hockridge	Head of Planning & Reporting (items 7 to 9)
Nicola Evans	Head of Finance (items 7 to 9)
Gareth Phillips	Head of Communications (item 12)
Terry Jones	AD&G Manager Audit Quality & Policy (item 13)

**Observers:**

Sara-Jane Byrne	Audit Manager (items 1 to 11)
Carwyn Rees	Audit Manager (items 1 to 11)
Bethan Jones	Non-Executive Member Designate (by Teams)

Item	Agenda
1	Welcome and apologies
2	Declarations of interests
3	Review of meeting minutes: 12 & 13 February 2025; 20 March 2025
4	Review of action tracker
5	Chair's Report, including Committee Appointments
6	Report of the Chief Executive and Auditor General
7	Audit & Risk Assurance Committee: report from meeting of 25 June 2025 and annual report to the Board
8	Annual report and accounts 2024-25
9	Integrated Performance Report (any matters not covered by the Annual Report and Accounts)
10	Remuneration & HR Committee: report from meeting of 01 May 2025 and annual report to the Board

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11	ELT Annual Report
12	Communications Strategy
13	Audit Horizons
14	Review of the forward work programme
15	Any other business
16	Review of the meeting
17	Date of next meeting: Board meeting – 30 and 31 July 2025 and Board meeting with Trades Unions – 31 July 2025

Item	Minutes	Action
<b>Standing Items</b>		
<b>1</b>	<b>Chair's welcome and apologies for absence</b>	
1.1	The Chair welcomed members and those in attendance. There were no apologies for absence.	
<b>2</b>	<b>Declarations of interest</b>	
2.1	Derwyn Owen declared an interest in the Chair's Report insofar as it dealt with the ratification of his appointment as Executive Director of Audit Modernisation and Impact Designate (EDAMI). He would leave the meeting for that matter.	
<b>3</b>	<b>Review of meeting minutes</b>	
3.1	The Board approved the minutes of its meeting on 12 and 13 February 2025 as an accurate record.	
3.2	The Board approved the minutes of its meeting on 20 March 2025 as an accurate record.	
<b>4</b>	<b>Review of action tracker</b>	
4.1	The Board received an update on delivery against actions on the Board action tracker.	
<b>5</b>	<b>Chair's Update and Committee Appointments</b>	
5.1	<p>The Chair provided an update on his activity since the last meeting. He invited the Auditor General to respond to Board feedback on the recent senior leadership staff roadshows on the frequency and timing of future roadshows, the level of Board representation and format for staff participation. The Auditor General indicated that:</p> <ul style="list-style-type: none"> <li>• he was planning two more rounds of roadshows during his term - in autumn 2025 and spring 2026;</li> <li>• plans for a conference in 2026 had yet to be considered, but following the 2025 conference with a roadshow had helped to reinforce the messages shared;</li> <li>• he welcomed Board member representation, and was keen for a non-executive member to attend each roadshow; and</li> </ul>	

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	<ul style="list-style-type: none"> <li>he intended to incorporate staff participation in future roadshows, though the format could vary depending on the level of attendance at individual sessions.</li> </ul>	
5.2	The Chair proposed changes to the Chairing and membership of the Remuneration and HR Committee consequent on the departure of Alison Gerrard. He proposed maintaining the current composition of the Audit and Risk Assurance Committee and indicated that he would further review the composition of the Board's Committees in 2026 when Anne Beegan's second term of appointment as an elected employee member expired.	
5.3	<p>The Board:</p> <ul style="list-style-type: none"> <li>approved the appointment of Richard Thurston as the Chair of the Remuneration and HR Committee;</li> <li>approved the appointment of Bethan Jones to the Remuneration and HR Committee; and</li> <li>otherwise affirmed the constitution of the Remuneration and HR Committee and the Audit &amp; Risk Assurance Committee.</li> </ul>	
5.4	Derwyn Owen left the meeting.	
5.5	In accordance with the Board's Terms of Reference the Board ratified the virtual approval of the appointment of Derwyn Owen as the Executive Director for Audit Modernisation and Impact for 18 months from 01 August 2025.	
5.6	Derwyn Owen rejoined the meeting	
5.7	In accordance with the Board's Terms of Reference the Board ratified the virtual approval of the inclusion of the 2024 Accounts of the Anguillian Government in the extension to the original contract which was approved by the Board in March 2025. The Board noted that the fee for 2024 Accounts would cover the costs of delivering the audit, with a 30% contribution to overhead.	
<b>6</b>	<b>Report of the Chief Executive and Auditor General</b>	
6.1	<p>The Auditor General and Chief Executive presented his update and highlighted:</p> <ul style="list-style-type: none"> <li>the work flowing from his report on the Wellbeing of Future Generations Act, which included giving evidence to the Senedd's Equality and Social Justice Committee inquiry on post-legislative scrutiny of the Act; and</li> <li>the results of independently gathered stakeholder feedback, and that although this was generally positive this was not reflected in the relevant annual plan KPIs, with two falling below target. He explained that further targeted feedback had been sought from NHS bodies where there had been both a low response rate and low scores and this additional feedback was more positive. He explained that while recognising the value of independently gathered feedback, the ELT was reviewing the approach to collecting feedback with a view to improving the reliability of the results.</li> </ul>	

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6.2	<p>The Board discussed the results of the stakeholder feedback and:</p> <ul style="list-style-type: none"> <li>encouraged management to maintain an independent approach which provided both an opportunity for audited bodies to provide honest feedback and confidence in the results; and</li> <li>suggested that management consider how it could demonstrate the use of the feedback gathered, to inspire trust in audited bodies and to demonstrate to the Board how the data was being used to support improvements.</li> </ul> <p>The Chief Executive explained that while he had written to respondents to previous exercises, demonstrating a direct link between the feedback and overall improvement was less straightforward where feedback was general in nature. He confirmed that he was keen to maintain an independent approach, while exploiting contacts to get stronger participation.</p>	
6.3	The Board noted the update.	
<b>7</b>	<b>Report from the Chair of the Audit &amp; Risk Assurance Committee: July meeting and Annual Report</b>	
7.1	<p>The Chair of the A&amp;RAC presented his report of the Committee's meeting on 25 June 2025 which considered:</p> <ul style="list-style-type: none"> <li>the annual independence report;</li> <li>the annual update on procurement, including a forward look on anticipated activity over the next two years;</li> <li>the annual information governance report, which gave assurance that risks were being well managed in a rapidly changing technological environment;</li> <li>a revised Artificial Intelligence and Digital Initiatives Policy, which set out the controls for the use of artificial intelligence and the governance arrangements for developing new initiatives;</li> <li>risk management, including a proposal for a more structured approach to risk deep dives to align with the strategic risk register; and</li> <li>internal audit reports, that were accepted save for the report on performance management which would be represented to the Committee in September following review and discussion with the EDCS.</li> </ul>	
7.2	In response to a question on whether restricting deep dives to the risk register could inhibit the Committee from fulfilling its wider role and exploring emerging topics, the Committee Chair explained that the Committee would continue to explore other topics relevant to its remit, but this could be done in different ways to the strategic risk deep dives.	
7.3	On the recommendation of the Committee the Board approved the Artificial Intelligence and Digital Initiatives Policy.	
7.4	The Chair of the A&RAC confirmed that the Committee had also considered the Annual Report and Accounts and the Committee's Annual Report, including its effectiveness self-assessment and the assessment	

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	against the Code of Good Practice for Corporate Governance in Central Government	
7.5	The Chair of the A&RAC summarised the Committee's discussion of the draft Annual Report and Accounts, including the supporting assurances from the Heads of Internal and External Audit.	
7.6	He confirmed that the Committee was content to recommend that the Board: <ul style="list-style-type: none"> <li>• note the comprehensiveness of the assurances received on the annual report and accounts; and</li> <li>• recommend to the Accounting Officer that he should sign the annual report and accounts for 2024-25 and the letter of representation.</li> </ul>	
7.7	The Board noted the Committee's recommendations.	
7.8	The Board approved: <ul style="list-style-type: none"> <li>• the Committee's annual report for 2024-25; and</li> <li>• the assessment of compliance with the Code of Good Practice for Corporate Governance in Central Government.</li> </ul>	
<b>8</b>	<b>Annual report and accounts 2024-25</b>	
8.1	The Head of Finance presented the final draft Annual Report and Accounts and confirmed the timing for their signature and laying.	
8.2	The Board discussed the financial statements, expressing concern that: <ul style="list-style-type: none"> <li>• the surplus had increased over the year with significant variances against budget; and</li> <li>• opportunities to use underspent budgets effectively had been missed.</li> </ul> The Head of Finance explained that while options for investment had been considered it had not been possible to process those in year.	
8.3	The Board sought assurance that action would be taken to address the issues raised and the Chief Executive outlined the steps being taken to develop an improved approach to financial planning and oversight.	
8.4	The Head of Planning and Reporting outlined the process for developing the annual report and acknowledged the helpful contributions from the Director Team and the A&RAC independent member. He explained that there would be minor changes to the report to reflect the outcome of discussions at the A&RAC meeting the previous day.	
8.5	The Board briefly discussed the value of the case studies and encouraged management to consider how it might develop future versions of the report to further reflect the impact of the Auditor General's work.	
8.6	On the strength of the assurances received the Board: <ul style="list-style-type: none"> <li>• approved the near-final Annual Report and Accounts for 2024-25;</li> <li>• authorised the Chair and Auditor General to approve and sign the final document; and</li> <li>• recommended that the Accounting Officer should sign the Annual Report and Accounts for 2024-25 and the letter of representation.</li> </ul>	Chair/ AGW  AGW

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8.7	The Board recorded its thanks to those involved in preparing and auditing the annual report and accounts.	
<b>9</b>	<b>Integrated Performance Report</b>	
9.1	The EDCC presented the integrated performance report which was intended to supplement the year end information reported in the Annual Report and Accounts, with updates on audit delivery, the financial position, workforce data and strategy delivery including performance against KPI targets.	
9.2	The Board discussed audit delivery and resourcing noting that there was minor slippage in the timetable for delivering the backlog. The EDAS explained that progress was being made but delivery in performance audit was being impacted by staff vacancies, and achieving the target for financial audit was dependent on audited bodies delivering accounts on time. She explained that a cautious approach was being taken to recruitment due to the potential for a resourcing surplus at the point the backlog was cleared. The EDAS also explained that attrition rates had reduced and while there was some flexibility for movement of staff between financial and performance audit this was limited. The Board discussed the option of revising the delivery timetable to mitigate the risk of a resource surplus, but noted that management preferred to keep the targets set to maintain momentum and focus.	
9.3	The Board briefly discussed the financial update, noting that more reliable data would be available at the end of quarter one. The Board reaffirmed that an Integrated Performance Report should be presented to the Board quarterly to ensure meaningful and robust data.	
9.4	The Board noted the report.	
<b>10</b>	<b>Report from the Chair of the R&amp;HRC: May meeting and Annual Report</b>	
10.1	<p>The Chair of the Remuneration &amp; HR Committee presented her report of the Committee's meeting on 01 May 2025. She highlighted:</p> <ul style="list-style-type: none"> <li>that there had been some slippage in the delivery of the year one priorities of the Strategic Workforce Plan which would be taken forward in year two of the plan, and monitoring the delivery of the Strategic Workforce Plan would be an area of focus for the Committee;</li> <li>that the Committee had considered and supported a revised Dignity and Respect Policy; and</li> <li>that the Committee had prioritised its oversight and scrutiny of performance management processes over recent years, including objective setting and the conduct of appraisal conversations, culminating in the development of a performance management module which would now be rolled out over the summer.</li> </ul> <p>The Board asked that the R&amp;HRC continue to monitor performance management to ensure effective implementation of the new system and adoption of the new approach.</p>	Chair of R&HRC
10.2	Upon the recommendation of the Committee the Board approved:	



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	<ul style="list-style-type: none"> <li>the 2025-26 priorities of the Strategic Workforce Plan; and</li> <li>the Dignity and Respect Policy.</li> </ul>	
10.3	The Board noted the other matters outlined in the report.	
10.4	The Chair of the Remuneration & HR Committee presented, and the Board approved, the Committee's annual report for 2024-25.	
<b>11</b>	<b>ELT Annual Report</b>	
11.1	The Chief Executive presented his annual report of activity undertaken by the Executive Leadership Team during 2024-25. He explained that the staff panel would operate until Easter 2026 and the final group of staff who had expressed an interest were being involved. He had received feedback on the content of the report outside the meeting which he would consider in developing the next iteration of the report.	AGW / ELT Sec
11.2	The Board noted the report.	
<b>12</b>	<b>Communications Strategy</b>	
12.1	The Head of Communications outlined the key principles of an approach to communications which focused on impact rather than output and were designed to provide flexibility in an evolving digital environment. He explained that the principles were aligned to the five-year strategy and the Annual Plan and underlying business plans provided the measurable detail.	
12.2	The Board participated in discussions around achieving successful impact for the Auditor General's work, how communications could contribute to that impact and the metrics to assess and measure the impact.	
12.3	The Board thanked the Head of Communications for his presentation and the opportunity to contribute to the discussion and noted that the next steps would include documenting and sharing the principles with staff.	
<b>13</b>	<b>Audit Horizons</b>	
13.1	The Audit Director and AD&G Manager presented a recap and update on developments relating to audit delivery, their impact and Audit Wales' response. They outlined the areas for forward development and provided the background and rationale for those where bids for funding were expected to be included in the Estimate Strategy which would be considered by the Board in July.	
13.2	The Board briefly discussed the implications of the proposals and welcomed the presentation which provided valuable insight ahead of the Estimate Strategy discussion.	
13.3	The Board impressed on the Audit Director the importance of considering the return on investment of any future development.	
<b>14</b>	<b>Review of the forward work programme</b>	
14.1	The Board discussed its forward work programme which the Board Secretary would update.	BS
<b>15</b>	<b>Any other business</b>	

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15.1	The Chair noted that this was Alison Gerrard's final Board meeting, and thanked her for her contribution to Audit Wales as both the independent member of the A&RAC and then a non-executive Board member over a period of some 11 years. Members expressed their thanks and good wishes for the future.	
<b>16</b>	<b>Review of the meeting</b>	
16.1	The Board noted feedback from the staff observers, who commented on: <ul style="list-style-type: none"> <li>the value of seeing Audit Wales' governance in practice; and</li> <li>the open and transparent discussions which demonstrated the consistency in messaging from ELT and Board.</li> </ul>	
<b>17</b>	<b>Date of next meeting</b>	
17.1	Board meeting – 30 and 31 July 2025 Board meeting with Trades Unions – 31 July 2025	