

Summary Report of 9 September 2025 Audit and Risk Assurance Committee Meeting

INFO 25/09/01 - Report by Anthony Harbinson

The Committee considered the following items:

Animal Welfare / Non-Compliance Interventions

I gave the committee an update on the actions taken following the internal audit looking at non-compliance interventions particularly in respect of animal welfare. The Board will be receiving its annual update for animal welfare at the September meeting.

Executive Update

The Deputy Director of Finance, Planning and Commercial gave an update on the latest work and issues within the FSA and wider government including: the Spending Review settlement, business planning, Annual Report and Accounts and the associated audit by the National Audit Office (NAO), the current financial year position and estates. He also welcomed Francesca James who has joined his team as a Risk Manager.

Internal Audit Progress Report

The Deputy Head of Internal Audit introduced internal audit's quarterly progress report. This summarised the themes coming out of internal audit reviews, progress made by the executive implementing audit management actions and delivery of the internal audit plan including a request to make some changes to the plan which we agreed. The report also included internal audit's updated quality assurance and improvement plan, and the progress made ensuring the internal audit team are compliant with the global internal audit standards.

Regulatory Audit Progress Report

The Head of Delivery Assurance presented the latest report detailing the progress made in delivering regulatory audit assurance activities in England, Wales and Northern Ireland. Some changes have been made to the regulatory audit plan which were discussed with the committee alongside proposals for changes to the focus of audits commencing in the 2026/27 audit year. The committee also noted the progress made implementing audit management actions.

Draft FSA Annual Report – Consolidated and Devolved

The Financial Controller and Assurance Manager introduced their elements of the annual report detailing the changes made from previous years to streamline the report and the associated processes, key accounting judgements and accounting policies and disclosures. ARAC members raised some points which were discussed with the executive attendees.

NAO Update

The NAO Director introduced their audit planning report on the 2024/25 financial statements audit and detailed the expected work and associated timeline for the audit. ARAC members noted the plan.

Risk Management Update

The Head of Planning, Performance and Risk presented the quarterly update on FSA's corporate risk management. The committee agreed the revised risk appetite statements on behalf of the Board and noted the latest changes to the risk register and progress made by mitigations. We discussed whether there are any emerging risks or concerns which weren't detailed on the register.

Internal Audit Report – Incident Management

The Head of Internal Audit presented the key findings from the review of Incident Management before the Head of Incidents Unit gave an update on the actions that have been taken / will be taken forward and those which are yet to be agreed. The committee discussed the findings and actions and will receive an update on progress made with the action plan at the March 2026 meeting.

ARAC Effectiveness Review

The Head of Internal Audit introduced the results from the annual ARAC effectiveness review. The committee continues to meet the expected standards but with the recent change of membership and acknowledging there is always room for improvement we agreed the actions proposed to increase the committee's effectiveness.

ARAC Terms of Reference Review

The Head of Internal Audit presented the annual review of the ARAC terms of reference (ToR). This included a couple of tweaks to ensure the ToR correctly reflects the membership and information requirements. The committee approved the changes which will be received by the Board in December.

Current Litigation

The General Counsel gave the ARAC members an overview of current litigation involving the FSA including updates received between the papers being issued and the meeting.

Below the line papers received for information:

- Audit Management Actions
- Business Appointment Assurance Rules
- Conflicts of Interest
- Information Security Risk Update
- Programmes and Projects
- External Assurances

Date of next meeting:

25 November 2025 10:30 – 12:30