

# Report from the Chair of the Audit and Risk Assurance Committee (ARAC)

INFO 23/12/02

## Report from the Chair of the Audit, Risk and Assurance Committee

**Report by Timothy Riley, FSA Board Member and Chair of the Audit, Risk and Assurance Committee**

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### 1. Summary

1.1 This report from the Chair of the Audit, Risk and Assurance Committee (ARAC) updates the Board on the activity of the Committee from the meeting held on 28 November 2023.

### 2. Executive Update

2.1 The Director of People and Resources gave an update on the latest work and issues within the FSA and wider government including: the Government Reshuffle, Autumn Statement, Headcount Commission, NAO Audit and FSADOC retender. She also welcomed the new FSA Financial Controller, Steve Churchyard. There was discussion amongst the ARAC members around the financial impact of funding reductions in respect of Local Authorities and the work that they complete on behalf of the FSA.

### 3. NAO Audit Completion Report

3.1 The NAO Director introduced the paper which summaries the audit work undertaken to review the 2022/23 Annual Report and Accounts (Westminster, Northern Ireland, Wales and Consolidated). It is the first year that NAO have audited using a new standard ISA 315 'Identifying and Assessing the Risks of Material Misstatement'. Once the audit is completed (which should be in the next couple of weeks) NAO will complete their final checks and the Comptroller and Auditor General will certify the 2022/23 Annual Report and Accounts.

### 4. Assurance Mapping

4.1 The Head of Planning and Performance introduced the first iteration of an FSA assurance framework and map. The framework has been developed in line with the new Risk Control Framework (RCF) set out in the updated '[Orange Book: Management of Risk – Principles and](#)

[Concepts'](#), published in May 2023. ARAC members noted the work to date, agreed with the approach taken and could see the benefits to the business if properly utilised.

## **5. Internal Audit Progress Report and Planning Approach 2024/25**

5.1 The Head of Internal Audit (HIA) presented her progress report summarising the work completed since the last meeting. The HIA requested that two audits be cancelled from this year's plan with another added, which was agreed by ARAC members. The ARAC members also agreed to the proposed planning approach for 2024/25 which will utilise the first iteration of the assurance map.

## **6. Regulatory Audit Progress Report and Planning Process 2024/25**

6.1 The Head of Delivery Assurance presented his progress report summarising Regularity Audit Assurance activities for the period 1 September to 31 October 2023. ARAC members noted the proposed planning approach for 2024/25.

## **7. Counter Fraud Update – including Counter Fraud Internal Audit Report**

7.1 The Head of Standards and Rewards updated the ARAC in respect of counter fraud activities and the actions being taken forward following the internal audit review. ARAC members noted the work.

## **8. Deep Dive Session – Lessons from CBD**

8.1 The Director of Policy introduced the deep dive session which considered the risks around novel foods and whether any lessons learnt from the CBD process could be used to inform wider regulatory reform and continuous improvement. ARAC gained a greater understanding of the challenges within the novel foods environment and reflected upon the lessons learnt to date.

## **9. Deep Dive Session – FSA Delivery of Official Controls Retender**

9.1 The Head of Commercial and Corporate Support introduced the deep dive session which reflected upon the feedback from the recent stakeholder days and the risks associated with different contracting and tender evaluation options. ARAC members discussed the pros and cons of different options providing insight from their own experiences.

## **10. Below the line papers that were received for information:**

- Security and Data Risks update
- External Complaints update
- Risk Management update
- ARAC Effectiveness Action Plan update
- Forward Look

**Date of next meeting:** 5 March 2024 11:00 -13:00