

AUDIT & RISK ASSURANCE COMMITTEE Summary Report of 8th September 2020 meeting

The Committee considered the following:

Risk Management Update

Committee Members were updated on, and reviewed, the latest iteration of the risk register following the recent review and changes. Points on specific risks were discussed. It was agreed to show the residual risk rating in addition to the mitigated rating on future corporate risk registers. It was also agreed that FSA Board Members should be made aware of HM Treasury's guidance on risk management, the Orange Book, that was reissued earlier this year.

Information Security Update

Members were briefed on the changes in information security risks, due in part to Covid-19, over the last six months and the impact of increased homeworking for FSA staff. Actions taken to raise awareness of information security risks, to improve systems security in the design phase and the testing of FSA information security controls through the year were also outlined.

Financial Accounts Update

The FSA Wales and Northern Ireland annual report and accounts were signed and laid before the respective assemblies in June. The Westminster and Consolidated annual report and accounts have been delayed as third-party assurance by Grant Thornton on the London Pensions Fund Authority has not been completed. This is unfortunately entirely outside FSA's control. The pension fund audit report is expected by Mazars/NAO in mid-September and, once received, digital sign off by the FSA Accounting Officer of the final Annual Reports and Accounts will be requested, ahead of the National Audit Office's (NAO) final review and submission for digital certification by the Comptroller and Auditor General. Publication and laying in Parliament of the FSA's Westminster and Consolidated accounts is now expected late September/early October.

ARAC Self-Assessment

Members had completed the NAO's self-assessment toolkit. Key points discussed were in relation to members' skills in relation to cyber-security; member performance management; and inviting FSA Directors to present on assurance over their portfolios. It was agreed that some of the points raised were wider than ARAC and that work had already begun to address these points at Board level.

Internal Audit Progress Report

The comprehensive report recorded the work of the audit team, since March, in supporting the FSA's Covid-19 response. Auditors had worked extensively across the FSA and had also implemented a programme of continuous improvement in the team. Some audit work has restarted and work is ongoing with the FSA executive to revise the audit plan for the remainder of the year given the changed risks and priorities. A review of the Local Authority assurance and audit work across the FSA is scheduled and this was outlined to the Committee.

AOB

The Chair raised the concept of 'deep dives' and that he would be looking to discuss the use of these in the FSA over the coming months, to provide assurance to Committee members on specific issues raised at Board or by individual audits.

Membership: Mary Quicke's term of office as a Board Member expired at the end of August 2020. The newly appointed Board Member for Wales, Peter Price, will be joining ARAC.

Date of next meeting: 11th November 2020.