

**WALES AUDIT OFFICE BOARD**  
**MINUTES OF THE MEETING ON THURSDAY 15 OCTOBER 2020**

**Members present:**

Isobel Everett	Chair and non-executive member
Adrian Crompton	Chief Executive and Auditor General for Wales
Alison Gerrard	Non-executive member and Chair of the Audit & Risk Assurance Committee
Amanda Hughes	Elected employee member
Anne Beegan	Elected employee member
David Francis	Non-executive member
Elinor Gwynn	Non-executive member
Lindsay Foyster	Non-executive member and Senior Independent Director
<b>Apology:</b>	Kevin Thomas, Appointed employee member and Executive Director of Corporate Services (EDCS)

**In attendance:**

Katherine Drysdale	Law and Ethics Specialist (minutes)
Clare James	Audit Manager and Chair of Pawb (item 3)
Matthew Hockridge	Head of Planning and Reporting (items 3 and 5)
Nicola Evans	Head of Finance (item 6)
Siobhan Cole	Head of Human Resources (item 3)

**Observing:**

Ian Rees	Non-executive member elect
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Item	Agenda
<b>Part 1: preliminaries</b>	
1	Chair's welcome and apologies for absence
2	Declarations of interest
<b>Part 2: strategic discussion</b>	
3	Equality report: discussion
<b>Part 3: for approval</b>	
4	Minutes of the meeting on 23 and 24 September 2020 and any matters arising (using the action tracker)
5	The interim report 2020-21
6	The joint estimate of income and expenses 2021-22
7	Committee appointments
8	Any other business
9	Date of the next meeting: Wednesday 24 and Thursday 25 November 2020

Item	Minutes	Action
<b>Part 1: preliminaries</b>		
1.	<b>Chair's welcome and apologies for absence</b>	
1.1	The Chair welcomed members and those in attendance, noting an apology from Kevin Thomas.	
<b>2. Declarations of interests</b>		
2.1	There were no declarations of interest.	
<b>Part 2: strategic discussion</b>		
<b>3. Equality Report 2020-21</b>		
3.1	The Head of Planning and Reporting delivered a presentation providing an overview of Audit Wales current equality objectives and performance against them. He explained that the joint Strategic Equality Plan pre-dated Audit Wales more recent ambitions and strategic objectives and would benefit from review during 2021.	
3.2	<p>The Head of Planning and Reporting reminded the Board of the key points from the Board's discussion in November 2019 and, with the Head of HR, provided a brief update:</p> <ul style="list-style-type: none"> <li>• BAME employees – progress had been made against the target of matching the Welsh population profile over a three-year period with an increase in BAME staff from 2.9% to 4%, however, the Welsh population profile had also moved from 4.8% to 6%;</li> <li>• Gender pay gap – targets had not been set, and while the Audit Wales pay gap was slightly higher than Welsh Government and equivalent audit bodies, it was largely consistent with the firms;</li> <li>• Recruitment processes – work had been done, or was underway, to: <ul style="list-style-type: none"> <li>– improve the recruitment process;</li> <li>– develop the website to include personal stories about working at Audit Wales, including the experiences of staff with protected characteristics;</li> <li>– address barriers, such as unconscious bias, through training for recruiters;</li> <li>– develop wider mandatory online equality and diversity training for all staff; and</li> <li>– develop skills booster sessions in equality and diversity for new starters.</li> </ul> </li> </ul>	
3.3	The Head of HR highlighted that Audit Wales had retained its silver Chwarae Teg award and the HR team was reviewing the plans for outreach work, presented to the Remuneration and HR Committee earlier in the year, in light of the impact of Covid-19.	
3.4	The Chair of Pawb acknowledged the work that had been done in the areas of recruitment, in attracting female and BAME trainees, and outreach. She recognised that setting targets, such as a reduction in the gender pay gap, could provide defined goals, but that developing an aspiration for the look and feel of Audit Wales in the longer term might better support change, underpinned by the practical application of Audit Wales values and behaviours .	

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3.5	<p>The Board discussed:</p> <ul style="list-style-type: none"> <li>• the need to articulate an aspiration around achieving a more inclusive and diverse workforce; recognising this was not simply a matter of legal duty and compliance but that there were both business benefits and a moral case for doing so;</li> <li>• the challenges of reducing the gender pay gap, particularly at senior levels in the organisation; and</li> <li>• the difficulties in both attracting and successfully appointing BAME candidates.</li> </ul>	
3.6	<p>The Board noted that, in reviewing assessment criteria and role descriptions, the HR team was exploring how to balance professional skills and competencies with values and behaviours. It was looking at models such as the Civil Service Success Profile Framework, which appeared to support higher levels of recruitment of those with protected characteristics.</p>	
3.7	<p>In its discussions the Board encouraged management to:</p> <ul style="list-style-type: none"> <li>• consider how to measure the outcomes and impact of recruitment and training activities to provide assurance that Audit Wales was doing the right things;</li> <li>• ensure that, where possible, activities are co-ordinated to maximise both impact and the use of resources;</li> <li>• consider how to prioritise the work of the HR team to achieve best effect; and</li> <li>• develop its thinking around Audit Wales aspirations for equality and diversity across its workforce.</li> </ul>	
3.8	<p>The Board agreed that the time was right to refresh the Strategic Equality Plan to align equality objectives to the ambitions of the organisation, recognising that this was also an opportunity to set objectives in the context of the Well-being of Future Generations Act. The incoming Chair and the Head of Planning and Reporting would plan the timing of the review to involve the new Executive Directors.</p>	LF / MH
3.9	<p>The Head of Planning &amp; Reporting would bring a draft Equality Report for the Board to consider at its November meeting, and would plan the approach to the refresh and the format of November report with the incoming Chair.</p>	MH / LF
<b>Part 3: for approval</b>		
<b>4.</b>	<b>Minutes of the meeting on 23 and 24 September 2020 and any matters arising (using the action tracker)</b>	
4.1	The Board approved the minutes of its last meeting as an accurate record.	
4.2	The Board discussed the matters arising from its previous meetings using the action tracker which the Board Secretary would update.	KD
<b>5.</b>	<b>The Interim Report 2020-21</b>	
5.1	The Head of Planning and Reporting presented the draft interim report 2020-21 for Board approval. The Board noted that the Senedd Finance Committee would consider the interim report on 02 November 2020.	
5.2	<p>The Board suggested some further work to help clarity including:</p> <ol style="list-style-type: none"> <li>a) developing the Auditor General's foreword to provide a clear summary of what had changed due to the pandemic;</li> </ol>	

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	<p>b) inserting a brief foreword from the Chair for completeness;</p> <p>c) refining the delivery update for the 'Picture of Public Services' report;</p> <p>d) clarifying that the Board was assured by management's response to the Covid-19 pandemic and its focus on, and support for, staff;</p> <p>e) revising the text on the KPI for the delivery of audit work to refer to delivery by the revised extended deadline (rather than the statutory deadline);</p> <p>f) checking and refining the description of the KPI targets, and performance against targets, to accurately reflect performance for the half year; and</p> <p>g) checking that the value of savings identified corresponded accurately to the period covered by the interim report.</p> <p>The Head of Planning and Reporting would liaise with colleagues, the Auditor General and the Chair to develop the report to address the Board's suggestions.</p>	MH
5.3	In its discussions the Board noted that there was an opportunity to demonstrate the Board's commitment to bilingualism by incorporating a bilingual section of the foreword in both the Welsh and English versions of the report. The Head of Planning and Reporting would consider this for future reports.	MH
5.4	Subject to minor amendments and corrections, the Board approved the Interim Report 2020-21 for laying before the Senedd.	MH
<b>6.</b>	<b>The joint estimate of income and expenses 2021-22</b>	
6.1	The Head of Finance presented the joint estimate of income and expenses for 2021-22 for Board approval. She highlighted that some minor corrections had been made following circulation of the paper to members.	
6.2	Subject to a minor amendment to the foreword, the Board approved the joint estimate of income and expenses for 2021-22 for laying before the Senedd.	NE
<b>7.</b>	<b>Committee Appointments</b>	
7.1	<p>The incoming Chair presented a paper setting out proposals for:</p> <ul style="list-style-type: none"> <li>• membership of the Board's Committees;</li> <li>• a contract extension for the Independent member of the Audit &amp; Risk Assurance Committee prior to an open recruitment exercise for the role in 2021;</li> <li>• appointment of the Senior Independent Director; and</li> <li>• Board link roles.</li> </ul>	
7.2	<p>The Board approved:</p> <p>a) the revised membership of the Audit and Risk Assurance Committee: Ian Rees (Chair), Anne Beegan, David Francis and Diane Thomas (Independent member);</p> <p>b) the revised membership of the Remuneration and HR Committee: Alison Gerrard (Chair), Amanda Hughes, Lindsay Foyster and Elinor Gwynn</p> <p>c) the appointment of David Francis as the Senior Independent Director;</p>	

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	<ul style="list-style-type: none"> <li>d) the extension of the current (first) term of the independent member of the Audit and Risk Assurance Committee until 30 June 2021;</li> <li>e) an open competition recruitment exercise to fill the role of the independent member of the A&amp;RAC with effect from 01 July 2021, the nature and scope of the recruitment exercise to be agreed and implemented as soon as practicable in 2021; and</li> <li>f) the appointment of Elinor Gwynn as the Board link member for Equality and Diversity.</li> </ul>	
<b>8</b>	<b>Any other business</b>	
8.1	The Board commended Isobel Everett for her dedication, contribution to and leadership of the Wales Audit Office Board from its inception to the present day. Members thanked Isobel for her support and expressed their good wishes for the future.	
<b>9.</b>	<b>Date of next meeting</b>	
9.1	Wednesday 24 and Thursday 25 November 2020	