

AUDIT & RISK ASSURANCE COMMITTEE

1. Summary Report of 19 January 2021 Meeting

- 1.1 The Committee considered one item: the outline Audit Assurance plans for 2021/2022.

Initial Audit Assurance Plans for 2021/22

- 1.2 The Head of Audit Assurance outlined the initial audit plans for the year, the sources and process to create the proposals as well as assumptions made.
- 1.3 Members discussed the strategic outline of the plan, the assumptions made and how changes in these assumptions – particularly around the impact of Covid-19 to deliver the plan – should be considered and shared at the next ARAC meeting. In addition, given the potential reduction in the ability to perform audit in the year, ARAC members asked the Head of Audit Assurance to consider proxy measures and evidence for audits, to carefully consider the timing of audits and to prioritise all scheduled audits.

2. Summary Report of 24 February 2021 Meeting

- 2.1 The Committee considered the following:

Information Security Annual Report

- 2.2 The annual information security report was presented to Committee setting out security improvements made over the last year, how services remained secure through the pandemic, the results of the annual security return to Cabinet Office and the forward look of the plans for the next year. An update on information security will be given to the FSA Board in June 2021.

Annual Report and Accounts: Planning and Timetable

- 2.3 The National Audit Office and Mazars outlined the external audit planning timetable, key risks identified and new accounting standards that may impact the FSA's accounts – IFRS16 Leases. The aim is to complete and sign off the accounts by 30th September 2021 noting that a key factor, the valuation and assurance of the London Pension Fund Authority assets which the auditors rely on, is not within in the control of the FSA.
- 2.4 The interim external audit will take place in March: Committee Members will be provided with a written update once this has been completed, ahead of the next ARAC meeting.

Draft Governance Statement

- 2.5 The Committee reviewed the Governance Statement and were happy with the content of the draft. Further feedback will be collated from members for the next draft presented to the auditors. The final version will be brought to Committee for approval with the Annual Report and Accounts in May.

Audit Assurance Progress Report

- 2.6 The report recorded the work of the audit team – audits in progress and support for the FSA's response to Covid-19 over the last three months and an update on the review of the Local Authority and audit and performance management work across the FSA. The number of outstanding management actions remains low

Audit Assurance Plans 2021/22

- 2.7 The Head of Audit Assurance outlined the audit plans for the year, the resources available and the sources of assurance that are available to ARAC. The audit plans were approved.

Deep Dives

- 2.8 The Chair made members aware of the three areas agreed with the Board Chair and Chief Executive that will be focussed on as 'deep dives' with FSA senior officials presenting on the topics to the ARAC Committee.