

# Report of 10 September ARAC meeting

INFO 24/09/01 - Report from Anthony Harbinson

## Summary Report of 10 September 2024 meeting

The ARAC Chair expressed his condolences to the internal audit team and the family of Freedom Mpande (Deputy Head of Internal Audit) who sadly passed away recently.

The Committee considered the following items:

### **Executive Update**

The Director of People and Resources gave an update on the latest work and issues within the FSA and wider government including: the General Election, Spending Review, headcount limits, Civil Service Pay award, Interim Chief Executive, FSA Delivery of Official Controls (FSADOC) retender, Annual Report and Accounts and Business Committee.

### **Draft FSA Annual Report, Consolidated and Devolved Accounts (2023/24)**

The Deputy Director, Finance, Planning and Commercial and the Financial Controller detailed the changes made from previous years to prepare the annual report and accounts. These will be the first accounts produced using the Workday application. ARAC members challenged various aspects and thought the report was an improvement on previous years, being more engaging and an interesting read.

### **Counter Fraud Annual Report**

The Head of Standards and Reward and the Standards and Casework Manager introduced the counter fraud annual report. The report detailed cases that had been investigated in the last year, participation in the National Fraud Initiative and progress in implementing the management actions resulting from the December 2023 internal audit report. ARAC members asked for more information on some topics and were content with the progress being made to improve counter fraud arrangements within the FSA.

### **FSADOC Retender Update**

The Head of Operational Assurance and Excellence and the Deputy Director, Finance, Planning and Commercial updated ARAC on the progress made retendering FSADOC. Various risks and issues were discussed by ARAC members.

### **Internal Audit Progress Report**

The Head of Internal Audit introduced her latest progress report to ARAC. ARAC noted the slow start to delivering the 2024/25 plan and the strategies in place should amendments to the plan be required. Internal audit had completed an assessment against the Government Functional Standard for Internal Audit and the new Global Internal Audit Standards which identified a few areas which could be improved – an action plan is being developed which will be brought to the next meeting in November.

### **Regulatory Audit Progress Report**

The Head of Delivery Assurance presented his latest progress report detailing the progress made in delivering regulatory audit assurance activities in England, Wales and Northern Ireland. ARAC members noted the report.

### **ARAC Self-Assessment Report**

ARAC members and standing attendees had completed a review of the effectiveness of ARAC utilising a self-assessment tool provided by NAO. Overall ARAC confirmed that they considered themselves to be meeting the required standards or excelling and had seen improved since the assessment last year. There were still some areas where ARAC thought they could improve. Suggested actions were agreed and will be taken forward.

### **ARAC Terms of Reference Review**

In conjunction with the review of effectiveness, ARAC also reviewed their terms of reference (ToR). Overall, the ToR was considered to reflect best practice with a few changes to the ToR agreed to reflect all the information received by the committee.

### **Below the line papers received for information:**

- NAO Wider Update
- NAO Making Public Money Work Harder
- Information Security Risk Update
- Conflicts of Interest
- Business Appointment Rules
- Internal / External Audit Recommendations
- Risk and Crisis Management
- Current Litigation
- Risk Management Update
- Incidents Standard Operating Procedures

### **Date of next meeting:**

26 November 2024 11:00 -13:00