

Board Paper

18 December 2013

Paper Title	ARAC Feedback from November meeting
Paper Reference:	Paper NRW B O 57.13
Paper Authored By:	Nigel Reader

Purpose of Paper:	Information
Recommendation:	
Decision Required:	none

Impact: To note – all headings might not be applicable to the topic	Impact on the Environment: n/a Impact on the Economy: n/a Impact on Community: n/a Impact on Knowledge: n/a
--	--

Summary

1. ARAC met in the Ty Cambia office in Cardiff with teleconference (voice only) links to Bangor and Aberystwyth. Andy had sent his apologies, but had briefed me with points which he wished to be made at the meeting. We welcomed Sarah Daniel as the new Secretary to ARAC and formally recorded our thanks to her predecessor in this role, Barbara Roberts.
2. We noted the feedback for the ARAC from the NRW board meeting in Bangor on 15/16 October, as well as the request to the ARAC from the board development day on 12 November to support the Chief Executive in the development of a simplified and NRW-bespoke matrix of governance maturity for tracking the board's development. We agreed a process for this.
3. We received the Head of Internal Audit's (HIA) helpful update report which prompted two actions
 - To require a follow-up report on data quality underpinning Operational Risk Appraisal and associated charges for consideration at our next ARAC meeting in March.
 - To check on progress with delivery of the 2013-14 internal audit programme to ensure there is sufficient evidence to inform the HIA's annual opinion and the Accounting Officer's governance statement.
4. We discussed the latest version of the corporate risk register, noting Emyr's confirmation that it accurately reflects his top areas of concern.
5. We had an initial discussion on risk appetite, including a helpful risk appetite framework suggested by HIA, and we concluded that this topic should be the subject for a facilitated discussion by the full board using one of the development or contingency board days. In the meantime risk appetite will feature in the board's consideration of the corporate plan priorities in December.
6. Kevin Ingram and I had attended a forum for Welsh Government bodies' ARAC Chairs on 5 November. The forum is a useful way of sharing good practice in governance and the business of ARACs. We volunteered for NRW to host the next meeting in the Spring of 2014.
7. We received a report from Kevin and his team on the preparations which have been made for delivering the interim accounts and the annual report & accounts (AR&A) for 2013-14. After the ARAC meeting, as the accounting specialist on the Committee, I was given a more detailed briefing. I can report that I am fully assured of the way in which this task is being tackled.
8. The AR&A will include a Sustainability Report and we reviewed the version of the report produced to accompany the interim accounts. We were impressed with the progress which had been made, and accepted the need to "get the basics right" in the first year

before progressing to make NRW the exemplar to which we aspire in our corporate plan as well as to play a key role in delivering this aspect of the Future Generations Bill.

9. We agreed to undertake an ARAC effectiveness review which will involve the completion of an NAO/WAO ARAC effectiveness questionnaire, with the results informing an effectiveness workshop facilitated by WAO to be arranged for January or early February. We will also consider the analysis produced by the HIA of how our ARAC terms of responsibility (ToR) and working arrangements compare with the good practice recommended by Treasury in their recently revised Handbook on ARACs. The outcome will be a programme of improvement actions and recommendations to the board for amendments to our ToR.
10. We endorsed NRW's policy on conflicts of interest for both staff and (separately) for board members. Emyr undertook to ensure the policy for staff is fully nested with other relevant policies and procedures. We accepted the responsibility given to the ARAC to review the board interests register annually and, following our review of the current register of board members' interests, we gave advice designed to ensure greater consistency and to remove unnecessary entries.
11. We received a comprehensive report from Liz Davis on Health, Safety & Wellbeing for the first 6 months and agreed that the core component of this should be presented to the board in December, together with a summary of the points raised by the ARAC and management's responses.
12. Donna Littlechild attended to present her paper on Business Continuity Management. We took comfort from the progress which had been made, the direction of travel and managements' assurance that the inherited legacy arrangements would remain in place until replaced by new NRW policy and procedures from April 2014. We will receive the proposed policy and procedures for review and endorsement at our next meeting in March.
13. As is our established practice we conducted a meeting review as our final agenda item, we confirmed the success of the remote access arrangements, thanked management for the timeliness and quality of the papers and presentations and agreed some minor improvements for future meetings.

Nigel Reader