TRAFNIDIAETH CYMRU
TRANSPORT FOR WALES

Audit and Risk Committee Meeting Minutes

25 March, 10:00 – 12:00
Llys Cadwyn and on Teams

Attendees	Marcia Sinfield (Chair), Julian Edwards (JE) Bronwyn Lillico (Sec), Dan Edwards (DE), Heather Clash (HC), Jeremy Morgan (JM), Kerry O'Donovan (KO'D), Lorenzo Visentin (LV), Malcolm Payne (MP), Mandy Garrett (MG), Matthew Arthur (MA), Mishan Wickremasinghe (MW), Rhyann Milne (RM), Steve Cole (SC), Sue Ruddock (SR), Suky Bains (SB), Wilma Thomas (WT) KMPG: Rees Batley (RB), Ifan Williams (IF) Audit Wales: Rachel Davies (RD), Catryn Holzinger (CH)
Apologies	Natalie Rees (NR)

1. **Introductions and Apologies**
   The Chair opened the meeting by introducing attendees, acknowledging it as her first session as chair, and thanking Alun Bowen for his prior leadership. The Chair disclosed that she knows Rees Batley, as KPMG audits Swansea University where she is Audit, Assurance & Risk Chair.

2. **Safety and Customer Moment**
   WT observed that visitors and tourists in London are now dependent on smartphones for navigation, as the traditional A-Z paper maps are no longer accessible. WT also indicated that this reliance may contribute to a sense of insecurity among travellers.

3. **Previous Minutes**
   The Committee **APPROVED** the minutes of the 12 December 2025 meeting.

4. **Action Items – Clear**
   The action items were noted as clear.

5. **Chair's Business Report**
   The Chair noted this is an opportunity to reflect on the role of the Committee and review the Terms of Reference. The Chair raised where the quarterly Management Accounts should be reviewed and, following discussions with HC and JE, it was agreed that ARC should propose that the Terms of Reference are updated to reflect that assurance should happen at ARC. **(ACTION: JM to update ToR).**

The Committee discussed the Public Office Accountability Bill and JM noted the Bill is paused in Parliament and expected to receive royal assent this summer. The Act will introduce the requirement for a Code of Ethics and duty of candour. JM and Laura Jones are developing an implementation framework.

The meeting discussed quorum requirements, and JM will add this to the updated Terms of Reference (ToR). This refresh will also allow for an opportunity to refresh the attendee list, with a requirement for some attendees to attend for their Agenda items only **(ACTION: JM).**

The Chair requested the development of an Annual ARC Work Plan outlining anticipated activities for the Committee over the coming year. This plan should be reviewed during each quarterly ARC meeting. **ACTION**: BL to prepare a draft Annual Work Plan for ARC.

The June ARC meeting was discussed, and it was noted that the ARC meeting planned for 17 June will be shorter to accommodate summer leave schedules. As a result, an extra meeting will be required in June or July. Additionally, it was agreed that the standard ARC meeting should last 2 hours and 30 minutes. **ACTION:** BL to schedule an additional ARC meeting.

The Committee agreed to add an update on Cyber [redacted]

ACTION: BL to add to ARC Agenda. MG emphasised that cyber security is a shared responsibility among staff. WT noted an in-progress audit of Cyber security and mentioned Deloitte's offer to present to the Committee, which was welcomed by the Chair.

JM mentioned an upcoming Audit Wales Value for Money audit on CVL to assess public bodies' resource use. This will be presented at more detail at the ARC meeting in Autumn, however JM to share the scope at the June meeting. JE highlighted our unique benefit for Wales and suggested audit teams experience the new CVL line firsthand. **ACTION**: JM to share the Audit Wales VFM Scope at the next meeting.

The Committee **NOTED** the Chair's Business Report.

6. Key Estimates and Judgements for 2025/26 Financial statements

The Chair thanked Matthew Arthur for his work on the Key Estimates paper, noting this is its first completion for TfW. MA highlighted the inclusion of CVL and useful life estimates, as well as lease judgments. JE also expressed appreciation for the paper's quality.

The Committee addressed the topic of pension treatment, and the Chair inquired whether KPMG had any concerns. RB indicated that his work had been reviewed by the technical team for evaluation, and at present, they have no concerns.

JE noted the new Rail Services Agreement which is now in play.

MA stated that finance is discussing with KPMG about the potential of TfW Rail accounts moving from IFRS to FRS 101 - the reduced disclosure version of IFRS which

would save some time in preparation of the accounts. Rail board approval may be required. The Chair asked that MA liaise with JM so that the necessary approvals for changes to Accounting Policy could be brought to the Board. **ACTION**: MA to liaise with JM on preparation of short paper.

The Committee **NOTED** the Key Estimates and Judgements for 2025/26 Financial Statements.

7. KPMG 2025/26 External Audit Plan

The Committed reviewed the KPMG 2025/26 External Audit Plan. RB confirmed the 31 March Audit plan and completion of risk assessment. RB stated testing will increase as year-end approaches. IW provided further details for new members, noting the audit timetable is on track. The rail approval date has moved back slightly but will not impact fieldwork.

The Committee **NOTED** the KPMG 2025/26 External Audit Plan

8. Sustainability Reporting

MW and RM joined the call.

MW and RM presented their report on sustainability reporting which set out the objectives of the project to improve the data accuracy and reporting of Carbon Monitoring reporting. The paper was accepted as read. **ACTION:** on MG to determine if the IT footprint is included in the report. MG will pick up with Mishan separately.

The Committee **NOTED** the Sustainability Report

9. Risk Update

LV shared an update [redacted]

ACTION: LV to ensure that strategic risks are reported to an early Board and that the information is sufficient to enable a discussion on these risks.

JE expressed gratitude to LV for the submission and advised revisiting how risks are categorised and presented.

The Committee **NOTED** the Risk Update.

10. Internal Audit

10.1 2026/27 Internal Audit Plan

WT explained that the IA plan is updated annually, making the first year very detailed while subsequent years are less precise due to frequent changes at TfW. The plan will be brought back for review at the September ARC meeting.

JE asked whether there was any flexibility or extra capacity for unexpected issues throughout the year. WT responded that, although the team is small, funds are allocated for external audits but only if necessary. WT added that she prefers to limit external audits to keep expertise within the organisation. WT confirmed that business continuity and succession planning are being addressed.

The Chair questioned whether advisory audits are ever conducted, and WT affirmed that they are. The Chair advised that she would ask Committee Chairs to consider whether there are any audits they would put forward in readiness for the mid-year Internal Audit Plan review. **ACTION:** Chair to ask Committee Chairs if they have any suggested internal audit requests.

The Committee **APPROVED** the 2026/27 Internal Audit Plan.

10.2 Internal Audit Reports

There has been ongoing discussion regarding whether the approval of IA reports falls under the responsibilities of the ARC or if they should merely be noted. ACTION: WT is tasked with confirming whether the approval of these reports is required at the ARC level. The following reports, with their associated assurance ratings were reviewed by the Committee.



The Committee acknowledged that the Pullman Audit was completed at an appropriate time, coinciding with significant changes and new leadership within the business.

During discussions about the Procurement audit, it was mentioned that a procurement management system will be implemented soon.



The Committee **APPROVED** the Internal Audit Reports

10.3 Dashboard

The Committee **NOTED** the Internal Audit Dashboard.

10.4 Internal Control Environment

WT mentioned that a new ICE specialist joined in January, initially focusing on Rail. The plan will be presented at the next ARC.

10.5 Declarations

WT confirmed that the team is acting independently and is not being influenced in anyway.

11 Well-being of Future Generations Audit

CH and RD from Audit Wales presented their report and extended thanks to Dan and his team for the information they supplied. The Committee concluded that the recommendations from the report were deemed clear, and the Chair commented that they are practical and had been included in the Internal Audit Report on the Well-Being of Future Generations.

The Committee **NOTED** the Well-being of Future Generations Audit Report.

12 Annual Data Protection Report

The Committee reviewed the Annual Data Protection report. JE commended the practical 26/27 plans. The Chair requested root cause details of breaches for the next ARC meeting. **ACTION** on MP to present the root cause analysis in the next report.

The Committee **NOTED** the Annual Data Protection Report.

13 Papers for Noting

The Committee noted the insurance papers, and SR requested guidance on the level of detail to be included in Insurance papers going forward. **ACTION**: SR to discuss with HC and ARC Chair.

14 AOB

[redacted]

There being no further business, the Chair thanked attendees and closed the meeting