

DEMOCRACY AND BOUNDARY COMMISSION CYMRU

AUDIT AND RISK ASSURANCE COMMITTEE MEETING HELD ON WEDNESDAY 26 NOVEMBER 2024 AT CATHAYS PARK, CARDIFF AND VIA MS TEAMS (09:30 – 10:30)

DBCC Members Present: Michael Imperato (Chair), Frank Cuthbert (Member), Dianne Bevan (Member), Andrew Blackmore (Independent Member) and Kalwant Grewal via MS Teams (Independent Member).

TIAA Representative Present: Elan Parry via MS Teams

Qualifications Wales Representative Present: Sean Gaffney via MS Teams

LDBCW Officers Present: Shereen Williams (Chief Executive), Tom Jenkins (Head of Policy and Programme) David Carr (Finance Manager), David Burley (Head of Business)

1. Apologies for Absence

1.1 Apologies for absence were received from Julie Rees from Audit Wales.

2. Declarations of Interest

2.1 There were no declarations of Interest.

3. Minutes of Audit Committee meeting held on 21 August and 23 September 2024.

3.1 It was **resolved** to adopt the minutes of the Committee meetings held on 21 August and 23 September 2024.

4. Issues Arising from Previous Meeting.

4.1 The Committee noted that most of the issues arising from the last meeting had been actioned.

4.2 There were three action points still outstanding:

- In person ICT security training to be provided by Qualification Wales to all members.
- Internal Auditors to be excluded from receipt of papers and discussions in respect of internal audit assessments for 2024-25 onwards.
- Meeting with TIAA to discuss how the internal audit function will remain effective in view of DBCC's extended responsibilities to be organised early 2025.

4.3 In respect of Qualifications Wales ICT training, it had been agreed that this would be held in person and would be postponed until the new members and Chair had been appointed for the Governance and Audit Committee (GAC).

- 4.4 The decision to exclude the internal auditors from any discussions regarding the consideration and outcome of the annual internal audit assessment exercise would be actioned at the commencement of the 2024-25 exercise at the next ARAC meeting.
- 4.5 The meeting with internal audit to discuss the 2025-26 internal audit plan in light of the DBCC's new responsibilities would be actioned in early 2025.

5. ICT and Data Security Report

- 5.1 It was reported that there had been no data security incidents since the last report. Although there had been a spike in the number of email malware attacks reported since the last meeting, this was due to testing conducted as part of the DBCC's Cyber Security Plus accreditation process.
- 5.2 Sean Gaffney outlined the main points of the new ICT Security Report. The report gave details of the latest threats identified by the National Cyber Security Centre which were most relevant to the DBCC and centred on the increased sophistication of AI being used in scams.
- 5.3 The DBCC's Cyber Security Posture exposure score was currently Medium due to an outstanding Zoom software update. It was expected that the security posture would be lowered following the installation of this update.
- 5.4 ICT online security training links had been sent to all staff and members issued with DBCC IT equipment and an update on progress on completion of the training would be presented at the next meeting.

6. Internal Audit – Mid-Year Reports 2024-25

- 6.1 Elan Parry reported that the mid year internal audits had covered Business Continuity, General ICT Controls and the DBCC's New Powers. All three audit areas had received Substantial audit assurance ratings, with only one recommendation being raised for the Business Continuity audit which noted that the Risk Management policy was several months overdue for review and should be reviewed as soon as possible. It was reported that this would be done at the DBCC's November meeting.
- 6.2 Andrew Blackmore enquired whether the Committee reviewed the DBCC's Service Level Agreement (SLA) with Qualifications Wales for the provision of ICT services as part of their review of DBCC governance. It was reported that this had not previously been done. It was **agreed** that the Committee would review Qualifications Wales's SLA for the provision of ICT services to DBCC at their next meeting and added to the Governance and Audit Committee (GAC) documents.
Action: Finance Manager **By:** 4 March 2024
- 6.3 Elan Parry moved on to TIAA's Summary Internal Controls Assurance (SICA) document which stated that the end year audits would cover Key Financial Controls and Community Reviews. It also outlined the requirements of the updates to the

Global Internal Audit Standards (GIAS) which would be adopted on 9 January 2025. Elan Parry said that analysis carried out by TIAA indicated that they complied with most of the new GIAS requirements already. It was **agreed** that TIAA would provide the Committee with a report giving assurance that they had complied with the new GIAS requirements at the next ARAC meeting.

Action: TIAA **By:** 4 March 2024

7. ARAC to GAC Handover Document

7.1 The Committee reviewed the draft document and agreed to adopt it as final subject to a minor amendment. It was considered that the document would need to be supported by a ARAC Chair to GAC Chair discussion. The handover from ARAC to GAC would take place at the 4 March ARAC meeting. The format of the meeting would commence as an ARAC meeting and then change to the inaugural meeting of the GAC.

8. GAC Draft Terms of Reference and Work Plan

8.1 The committee considered the draft GAC Terms of Reference and Workplan which were agreed subject to several amendments which were:

- Change references to the 'Secretary' to the 'Finance Manager'.
- Add brief text regarding the role of the Finance Manager
- Remove references to the Deputy CEO.

8.2 It was agreed that the Terms of Reference and Workplan should be reviewed by the GAC at their first meeting.

Action: Finance Manager **By:** 4 March 2024

9. Electoral Information Platform (EIP)

9.1 The Committee noted the progress and current position in establishing the EIP. The Committee was very concerned about the significant reputational risk for the DBCC should the implementation of the EIP be unsuccessful. It would need to be made clear to Welsh Government that the DBCC did not currently have the expertise for undertaking the development of the EIP.

9.2 It was noted that the risk involved was included on the DBCC's Future Work Programme Risk Register and was being reviewed at every DBCC meeting. It was **agreed** that the DBCC should report progress on the EIP to the Committee regularly.

Action: Finance Manager **By:** 4 March 2024

10. Security and HR Policies Affected by the Accommodation Move

10.1 The Committee noted the policies which were affected by the accommodation moved and that they would be updated as soon as possible when the full impact of the move had been established.

11. Accommodation Move Update

- 11.1 The Head of Business gave a verbal update on progress with the accommodation relocation which had gone well with only the installation of new printers left to complete.
- 11.2 It was noted that access to tenant areas was still open to Welsh Government although WG sponsor division had stated that it was the intention that access would be restricted moving forward.

12. Future Work Programme

- 12.1 The Committee noted the current position regarding the future Work Programme as reported at the DBCC meeting held on 30 October 2024.

13. Audit Recommendations Progress Report

- 13.1 The Committee noted the current position regarding the implementation of outstanding audit recommendations.

14. Budget Monitoring Report

- 14.1 The Committee noted the budget report presented to the DBCC's 25 September 2024 meeting.

15. Risk Management

- 15.1 Consideration was given to the current risk registers and details of the changes made to both the Corporate and Operational risk registers since the last Committee meeting were noted.

16. ARAC Self-Assessment Exercise.

- 16.1 The Committee noted the commencement of the annual ARAC self-assessment exercise.

17. Audit Wales Reports

- 17.1 The Committee noted the report from Audit Wales which gave details of current and planned work by Audit Wales together with recent publications and planned forward work programmes.

18. Gifts and Hospitality – Report and Declarations

18.1 The Committee noted that no declarations of gifts of hospitality had been made since the previous meeting.

19. Complaints

19.1 The Committee noted the 3 recent complaints that had been received by the DBCC. They also reviewed the action taken by DBCC in response to these complaints and that they had been issued within the required deadlines. It was also noted that one of the complaints had now been resolved.

20. Whistleblowing and Fraud Report

20.1 The Committee noted that there had been no instances of whistleblowing or fraud since the last report.

21. Freedom of Information Report

21.1 The Committee noted the FoI requests for information received by the LDBCW between 1 April 2024 and 18 November 2024.

22. Any Other Business

22.1 There was no other business.

23. Dates of Next Meetings

23.1 The dates of the next meeting had been set for 4 March 2025 at 9:30.