

DEMOCRACY AND BOUNDARY COMMISSION CYMRU

GOVERNANCE AND AUDIT COMMITTEE MEETING HELD ON MONDAY 28 JULY 2025 VIA MS TEAMS (10:00 – 11:00)

GAC Members Present: Andrew Blackmore (Independent Chair), Kalwant Grewal (Independent Member), Jassa Scott (Independent Member), Dianne Bevan (Member), Bethan Price (Member)

Audit Wales Representative Present: Julie Rees

MIAA Representative Present: Gary Baines
Paula Fagan

Qualifications Wales Representative Present: Sean Gaffney

DBCC Officers Present: David Burley (Head of Business), David Carr (Finance Manager)

1. Apologies for Absence

1.1 Apologies for absence were received from Shereen Williams due to a family medical emergency. The Committee extended their best wishes to Shereen and her family.

2. Declarations of Interest

2.1 There were no declarations of Interest.

3. Minutes of Meetings held on 4 March and 17 June

3.1 The minutes of the Committee meeting held on 4 March 2025 were agreed and adopted.

3.2 The minutes of the Committee meeting held on 17 June 2025 were agreed and adopted.

4. Issues Arising from Previous Meetings.

4.1 The Committee noted that most of the issues arising from the meetings held on 4 March and 17 June 2025 had been actioned.

4.2 The only outstanding issue was the ICT Security training for members which had been postponed until all additional new members and independent members had been recruited. It was **agreed** that, now all new members had been recruited, the training should be arranged as soon as possible.

Action: Qualifications Wales / Finance Manager **By:** 30/09/25

4.3 The Committee considered the paper tabled on legal advice received in respect of the current ICT Service Level Agreement (SLA). It was noted that the legal advice received was similar to the findings of MIAA's review of the SLA. It was **agreed**

that Paula Fagan would forward MIAA's SLA review findings to the DBCC and that both the legal and internal audit advice notes be used to inform any revision to the SLA and or any future contractual arrangements with our IT supplier.

Action: MIAA **By:** 31/08/25

- 4.8 In respect of the Action points report for future meetings it was agreed to add a new column for a reference number to the Meeting Action Log.

Action: Finance Manager **By:** 31/08/25

5. Internal Audit Charter.

- 5.1 The Committee noted MIAA's the draft Internal Audit Charter for 2025-26 onwards. Gary Baines said that there were two outstanding issues in the Charter regarding points that MIAA would expect to be included in the GAC's Terms of Reference and DBCC's Standing Financial Instructions.

- 5.2 It was reported that GAC's Terms of Reference could be easily updated to include the points outlined in the Charter. It was **agreed** that the Committee's Terms of Reference would be updated to include the points highlighted in the Charter.

Action: Finance Manager **By:** 31/08/25

- 5.3 In respect of the text expected to be included in Standing Financial Instructions, it was reported that the DBCC did not have Standing Financial Instructions, only Desk Instructions. It was **agreed** that the DBCC should draft Standing Financial Instructions and that these should include the requirement highlighted in the Charter.

Action: Finance Manager **By:** 31/08/25

- 5.4 The Committee **agreed** MIAA's Internal Audit Charter.

6. Internal Audit Plan 2025-26 Onwards.

- 6.1 The Committee considered the Internal Audit Plan presented by MIAA. It was noted that the internal audit work on the Electoral Management Board (EMB) was scheduled for 2027-28 and it was queried whether this would be early enough given the need for sound governance controls to be in place as soon as possible. It was **agreed** that this issue would need further discussion between MIAA and the Chief Executive on her return.

Action: MIAA / CEO / Finance Manager **By:** 31/07/25

- 6.2 Gary Baines explained that MIAA would also be carrying out a significant amount of separate internal audit work covering the Welsh Electoral Information Platform (WEIP). He explained that this had not been included in the Internal Audit Plan as it was a bespoke project with an allocation of audit days outside the total number of audit days agreed in the contract.

- 6.3 Members considered that the additional WEIP audit work should be included in the Internal Audit Plan so as to demonstrate the scope and depth of audit coverage. It was **agreed** that the additional WEIP audit work would be included in the Internal Audit Plan.

Action: MIAA **By:** 31/08/25

6.4 It was queried why key risks such as public consultations and data protection were not specifically included in the Internal Audit Plan. Gary Baines said that such risks are built into audits as required, such as ICT security being part of Finance Systems audits.

6.5 It was considered that Staff Wellbeing should also be included in the audit plan due to the increased responsibilities of the DBCC. It was **agreed** that Staff Wellbeing would be included in the Payroll and HR audit work.

Action: MIAA **By:** 31/08/25

6.6 It was **agreed** that the Internal Audit Plan should be reviewed in light of the points raised and amended as applicable but subject to these qualifications, the Committee approved the plan.

Action: MIAA **By:** 10/09/25

7. External Audit of Financial Statements Update.

7.1 Julie Rees reported that the DBCC's draft accounts had been received on 25 June 2025 which was within the agreed timescale. The majority of the audit work had been completed but there were still some outstanding issues around the omission of pensions information for one of the senior managers, IFRS16 accounting treatment of lease costs and estimates for the dilapidations provision for the lease of the Cathays Park offices. However, significant progress had been made on resolving these issues and it was expected that the accounts would be ready for signing at the GAC meeting on 10 September.

7.2 The Chair thanked Julie Rees for her report

8. Review of Corporate Risk Register.

8.1 The Committee considered the proposed changes to the Corporate Risk Register. The following points were raised:

- Mitigating actions should include how they address and reduce the risk.
- The impact of completed mitigating actions on risks should be assessed and whether they become controls once completed.
- Assurances should be mapped to risks.
- Mitigating actions should be timebound.
- Risks should be linked to the Internal Audit Plan.
- Risk holders should be reviewed to ensure accountability is clear.

8.2 Regarding the current risks, the Committee also considered that:

- Risk CR1 regarding relationships with stakeholders should be reviewed to ensure it was wide enough and that the EMB stakeholder engagement should be added as a mitigating action.
- Risk CR4 regarding governance and internal controls was too focused on the EMB and should be redrafted more widely to cover the DBCC more.

- Risk CR8 regarding the implementation of the WEIP should include the EMB Project Management and the additional bespoke Internal Audit work as mitigating actions.

8.3 Members also questioned whether risk CR8 was duplicating a risk already covered on the EMB risk register and considered that the GAC should receive more assurances and updates regarding from the EMB regarding progress on the project.

8.4 It was agreed that the GAC Chair, Chief Executive and Finance Manager would give further consideration to the points raised by Members and that a further draft of the Corporate Risk Register would be produced.

Action: Finance Manager **By:** 20/08/25

9. Indemnity Insurance.

9.1 The Committee noted that Welsh Government do not have indemnity insurance and the reasons for that. A response from Welsh Government was still awaited regarding what assistance the DBCC could expect from them in the event of a legal action being taken against them.

9.2 It was agreed that this issue should be raised under AOB at the next DBCC meeting on 30 July with a short paper outlining the current situation

Action: Finance Manager **By:** 30/07/25

10. ICT Data Security Report.

10.1 It was reported that there had been no data security incidents since the last report. The report outlined the latest National Cyber Security Centre threat landscape updates which mainly focused on the increasing threats posed by AI.

10.2 Sean Gaffney drew the Committee's attention to the new Cyber Security scoring system Provided by Microsoft which now allowed for comparison to other similar sized organisations. It could be seen from this that the DBCC's cyber security score was significantly better than other organisations of a similar size.

10.3 It was enquired whether a stand alone cyber security audit was required. Sean Gaffney responded that Cyber Essentials and IASME covered this requirement.

11. GAC Terms of Reference and Workplan.

11.1 The Committee noted the Terms of Reference and Workplan. These were agreed subject to the changes proposed in the Internal Audit Plan outlined at Item 6 above

12. Budget Monitoring Report.

12.1 The Committee noted the minutes of the budget report presented at the Commission meeting of 29 May 2025.

13. Audit Wales ICT Cyber Security.

- 13.1 Julie Rees gave a brief outline of the scope of cyber security audits carried out by Audit Wales and said the DBCC had been included in a full cyber security audit carried out by Audit Wales during 2021. The Committee noted the report.

14. Audit Wales Reports Update.

- 14.1 The Committee noted the report from Audit Wales giving details of the recently published reports they had issued.

15. Schedule of Losses 2024-25.

- 15.1 The Committee noted the report on losses for 2024-25.

16. DBCC Annual Internal Audit Assessment Exercise 2024-25.

- 16.1 The MIAA representatives withdrew from the meeting for this item.
- 16.2 The Committee noted the outcome of the 2024-25 Internal Audit Assessment Exercise.

17. Any Other Business

- 17.1 there was no other business

Date of Next Meeting

The date of the next meeting will be 10 September 2025 at 10:00 a.m..