

**LOCAL DEMOCRACY AND BOUNDARY COMMISSION FOR WALES**  
**AUDIT AND RISK ASSURANCE COMMITTEE MEETING HELD VIA MICROSOFT**  
**TEAMS ON MONDAY**  
**29 NOVEMBER 2021 (10:30 – 11:45)**

This document is available in Welsh

**LDBCW Members Present:** Ceri Stradling via MS Teams (Chair), Dave Powell (Member), Julie May (Member), Julie James via MS Teams (Independent Member)

**Audit Wales Representative Present:** Julie Rees via MS Teams

**TIAA Representative Present:** Helen Cargill via MS Teams

**Qualifications Wales Representative Present:** Sean Gaffney via MS Teams

**LDBCW Officers Present:** Shereen Williams (Chief Executive), David Carr (Finance Manager), David Burley (Head of Business)

**1. Apologies for Absence**

1.1 There were no apologies for absence.

**2. Declarations of Interest**

2.1 There were no declarations of interests.

**3. Minutes of Audit Committee meeting held on 26 July 2021**

3.1 It was **resolved** to adopt the minutes of the Committee meeting held on 26 July 2021 subject to adding 'electoral reviews' to the end of the first sentence of paragraph 9.1.

**4. Issues Arising from Previous Meeting.**

4.1 The Committee noted that the majority of the items arising from the previous meeting had now been completed.

4.2 There were two items still outstanding which were nominating a member as ICT Champion and undertaking ICT Security refresher training for all staff and members. It was noted that these actions would be completed following the appointment of new members.

4.3 Shereen Williams reported that the Welsh Government had made orders for the electoral reviews of all 22 principal authorities. The LDBCW would soon be

undertaking research on the effect of deprivation and holiday homes in preparation for the next programme of electoral reviews.

## **5. Audit and Risk Assurance Committee Work Plan 2021-22**

- 5.1 The Committee noted the Work Plan for 2021-22 which had been changed as agreed at the previous meeting.

## **6. ICT Data Security Report**

- 6.1 The Committee noted that there had been no data security incidents for 2021-22 to date.

- 6.2 The Committee noted the ICT security report presented by Sean Gaffney. He gave a summary of the most recent cyber threats identified by the National Cyber Security Centre (NCSC) and explain that the one that posed the most significant threat to the LDBCW was the increase in scam phone calls and text messages. He reminded staff and members how to report such scam calls.

- 6.3 The LDBCW's Cyber Security Posture score was currently low due to recent security updates being installed but this score fluctuated and would increase as new updates become available and were awaiting instalment.

- 6.4 The report noted that the LDBCW's website used a version of the Drupal content management system which was no longer supported by the vendor. It was recommended that the LDBCW contact the website hosting partner to request an upgrade of the content management system to a more recent version which was supported by the vendor. It was noted that the Head of Business was currently liaising with the vendor regarding this issue.

- 6.5 It was reported that ICT security refresher training had already been rolled out for staff and would be rolled out for members following the appointment of new members.

**Action:** Head of Business / Qualifications Wales **By:** 31 March 2022

- 6.6 the Chair referred to the recent Internal Audit Summary Internal Controls Assurance (SICA) report which highlighted current developments in risk and control including IT risks in respect of VMWare vulnerability and NCSC Device Security Guidance. He asked Sean Gaffney whether this was something the LDBCW needed to take action on. Sean Gaffney replied that the LDBCW did not use VMWare so that issue was not applicable.

- 6.7 In respect of the NCSC Device Security Guidance Sean Gaffey said that Qualifications Wales undertake to ensure all the LDBCWs Surface Pros remain uninfected. It was considered that, as some staff and members occasionally used their personal IT devices for work purposes, it would be worth extending the scope of the protection to cover such devices. It was **agreed** that Qualifications Wales would look into this issue.

**Action:** Head of Business / Qualifications Wales **By:** 1 July 2022

## 7. Internal Audit – Mid Year Audit Reports 2021-22.

7.1 Helen Cargill reported that the audit work carried out in September 2021 had covered the areas of Risk Management Embedding and Mitigation, Payroll Arrangements and Strategic Control and Corporate Governance. The findings of the audit work were detailed in the reports which gave Substantial assurance ratings for all of the audits undertaken. The reports made the following 1 audit recommendation (Routine) for Risk Management and 2 audit recommendations (Routine) for Payroll Arrangements:

- A series of deep dive reviews of key risks be undertaken to provide assurance that appropriate mitigation is in place.
- The Payment of Salaries of Directly Employed Staff, Commissioners Fees and Travel and Subsistence Claims Procedure be reviewed and approved as soon as possible and in a timely manner going forward.
- A Data Sharing Agreement be put in place with the Commission's Accountants James De Frias, be signed and dated accordingly and be subject to regular review.

7.2 The recommendations had been accepted and allocated implementation deadline dates. In respect of the recommendation regarding a deep dive review of key risks, the Committee considered that there was sufficient review of risks and mitigating actions which was undertaken at every LDBCW and ARAC meeting. It was **agreed** that this audit recommendation should be dropped.

7.3 It was noted that the Summary Internal Controls Assurance (SICA) report stated that the end year audit would include an audit of Electoral and Parliamentary reviews although it had been agreed at the previous meeting that this should be changed to Key Financial Controls. It was explained that although the Internal Audit Plan had been amended and issued, the change had not subsequently been made to the SICA report. It was **agreed** that the Finance Manager would circulate the final Internal Audit Plan to Members after the meeting.

**Action:** Finance Manager **By:** 30 November 2021

7.4 The Chair thanked Helen Cargill for her report.

## 8. Audit and Risk Assurance Committee Self-Assessment Questionnaire.

8.1 It was reported that the questionnaire for 2020-21 had recently been circulated to members for completion. It was **agreed** that the questionnaire would be completed and returned by ARAC members by 31 December 2021.

8.2 It was **agreed** that Julie May should complete the questionnaire to cover the 2 ARAC meetings she attended during the year.

8.3 It was noted that the analysis of responses to the questionnaires would be submitted to the February ARAC meeting.

## **9. Audit Recommendations – Progress Report.**

- 9.1 The Committee considered the progress on the outstanding internal audit recommendations including those which had been implemented since the previous report.
- 9.2 The three 2020-21 internal audit recommendations regarding the electoral review programme were due to be implemented at the end of 2021-22 or late 2022-23.
- 9.3 The two 2021-22 external audit recommendations had now been implemented.
- 9.4 The three 2021-22 internal audit recommendations arising from the recent mid-year internal audit were noted. As agreed at agenda item 7, the recommendation regarding a deep dive of review of key risks would be removed.

## **10. Risk Management Report**

- 10.1 Consideration was given to the current risk registers and policy. Details of the changes made to both the Corporate and Operational risk registers since the last Committee meeting were reported.
- 10.2 the Committee considered that the risk score for Risk OP5 could be reduced following recent recruitment procedure changes. It was reported that the LD BCW would also be moving to Civil Service Jobs online recruitment services which would be faster than the previous recruitment method. It was **agreed** that the Management Team would consider reducing the risk score of OP5.  
**Action:** Finance Manager **By:** 31 January 2022

## **11. Budget Monitoring Report.**

- 11.1 The Committee noted the minutes of the budget report presented at the Commission meeting of 28 September 2021.
- 11.2 It was noted that the budget continued to follow the recent trend of the last several months and would be underspent at the year end. However, there would be some significant expenditure in the last quarter of the year for the ERP research, a new review portal and a new procurement database.

## **12. Gifts and Hospitality – Report and Declarations**

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

## **13. Complaints**

- 13.1 The Committee noted that recent correspondence had been received regarding the Carmarthenshire electoral review. Following legal advice it had be

ascertained that the correspondence could not be considered as a formal complaint as it had been submitted after the Minister had made an order in respect of the Carmarthenshire electoral review.

#### **14. Whistleblowing and Fraud Report and Policies**

- 14.1 The Committee noted that there had been no instances of whistleblowing or fraud since the previous meeting.

#### **15. Freedom of Information Report**

- 15.1 The Committee noted the FoI requests for information received between August 2021 and November.

#### **16. Any Other Business**

- 16.1 Julie James reported that she had attended an event for ARAC members hosted by Government Internal Audit Agency. She gave a summary of the issues discussed, which mainly focused on forthcoming changes to the audit approach in England.

- 16.2 The Chair thanked Julie James for attending the event on behalf of the Committee.

#### **17. Dates of Next Meetings**

- 17.1 Dates for the next meetings were:

28 February 2022