



AUDIT & RISK COMMITTEE

Minutes of Meeting on Wednesday 16 January 2013

Present:

Richard Buchanan **RB** (Chair)
Patrick Farry **PF** (Member)
Melanie Humphrey **MH** (Member)

In Attendance:

Collette Kane **CK** (NIAO)
Alan Thomson **AT** (Head of Internal Audit)
Dougie Topping **DT** (OFMDFM)
Adrian McNamee **AMN** (CVSNI)
Arlene McCreight **AMC** (CVSNI)
Commissioner Kathryn Stone **KS** (CVSNI)
Laura Kennedy **LK** (Secretary to the Committee)

1. Introduction and Apologies

- 1.1. The **Chair (RB)** welcomed everyone to the meeting.
- 1.2. Apologies were given from Marie Matthews, OFMDFM
- 1.3. Introductions were made for the benefit of **DT**.
- 1.4. **DT** advised of the staffing realignment at OFMDFM. The **Chair** stressed the importance of the representative from the Department being at an appropriate level.

2. Register of Interests / Contractor-Supplier List

- 2.1. There were no conflicts noted.

3. Minutes of meeting on 3 October 2012.

- 3.1. The minutes were agreed by all

4. Update – Accounting Officer

- 4.1. **KS** advised she had written to Noel Lavery on 14 December 2012 to confirm a total easement of £329,000 in the 12/13 year and to request formal confirmation of all easements.
- 4.2. Following confirmation that £79,000 had been accepted a further easement of £250,000 had been proposed in the January Monitoring Round.

- 4.3. A letter was issued to Noel Lavery on 20 December 2012 seeking clarification on the breakdown of the Commission's 2012/13 budget and a reminder issued on 15 January 2013.
- 4.4. **DT** advised a response should be expected today or tomorrow.
- 4.5. **DT** also advised that a 'mini monitoring round' asking for easements of £25,000 of over would be issued with responses due by Tuesday 22 January 2013.
- 4.6. The Work Programme was submitted to the Department on 17 December 2012.
- 4.7. A Staff Corporate Planning Day had taken place on 30 November 2012. Suggestions and comments arising from that day were incorporated into the Corporate Plan. A draft would be presented to the Commission Board at its meeting on 4 February 2013.
- 4.8. The Commission was granted approval by the Department to renew the Windsor House lease for the period December 2012 to February 2013 based on the rental cost of £35,000 per annum. The Business Case regarding accommodation was undergoing further revision following queries from the Department and more options were being considered. It would be re-submitted to the Department upon completion.
- 4.9. The Commission are liaising with HR Connect in running the competition for three of the four vacancies; Secretary to the Commission, Policy Officer and Personal Secretary. It was anticipated that the role of Administrative Officer would be filled by a secondee from the NICS. The Head of Corporate Services post was also included in the Business Case prepared for expenditure on recruitment.
- 4.10. It was agreed that the Chair, ARC members and the Commissioner would sit on the interview panel for the Secretary to the Commission post.
- 4.11. The **Chair** asked for an update on an assurance provided by the previous Accounting Officer that she would follow up a request by ARC members to have sight of the KPMG Report of the Review of the Commission. The Department had not yet responded to the request. The Chair requested **DT** inform the Department of the ARC's concern at the lack of response to repeated requests for sight of the Report as the Committee considers that the report could represent a significant reputational risk to the Commission.

ACTION: DT

- 4.12. The **Chair** requested the Accounting Officer's view on her experience of undertaking the dual role of Commissioner and Accounting Officer.
- 4.13. **KS** advised that with the support of the Senior Management Team and all staff, the situation was being managed. **KS** emphasised that she was undertaking the role of Accounting Officer in a temporary capacity, and highlighted the importance of agreeing the Job Description for the role of Secretary to the Commission and expediting the recruitment process.
- 4.14. **KS** also noted the assurance for the Department in approving the continuation of the role of the NED until the end of March 2013.
- 4.15. The **Chair** noted the concern of the ARC regarding the continuing risk to the organisation whilst the role of Secretary to the Commission remained vacant and suggested that the NED may need to be extended after March 2013 in the likely event that the new Secretary was not in post before that date.
- 4.16. **PF** noted the usefulness of the format of the budget summary. However, he expressed concern about the way in which underspend was presented in the summary. **MH** noted that the Commission's budget showed huge expenditure

in running costs in comparison to relatively low expenditure on programme costs.

- 4.17. **KS** asked the ARC to reflect on the structural changes that had taken place within the organisation in year, the impact on the Commission's Work Programme, and the resulting impact on the budget. She advised on the newly implemented process for Performance Management within the Commission and added her own concern at money being surrendered in year and advised that there will be an appropriate budget, which will be closely monitored going forward.
- 4.18. **MH** suggested that the Commission could provide more information on activity as she perceived that the Commission was currently underselling itself.
- 4.19. **KS** agreed that quantitative and qualitative information on the activities undertaken by the Commission in future would be provided.

ACTION: Secretariat

5. Work Programme 2011/12

- 5.1. **MH** asked for information on the red RAG status of 1.1. Communications Strategy and for the expenditure detailed.
- 5.2. **AMC** advised that the Commission was awaiting approval of the Communications Strategy which was submitted to the Department on 18 September 2012, therefore the RAG status remained red. The expenditure detailed was not undertaken in line with the Communications Strategy, but it was undertaken for communications and engagement.
- 5.3. It was agreed that the Work Programme would include an appropriate explanation of the RAG status for future meetings.

ACTION: Secretariat

- 5.4. **DT** agreed to follow up on the status of the Communications Strategy.

ACTION: DT

- 5.5. The **Chair** requested the Performance Indicators at 4.3 be reviewed and amended.

ACTION: AMN

- 5.6. **PF** suggested that the green RAG status of the majority of targets in the Work Programme against the lack of expenditure reflected in the budget report did not match.
- 5.7. **AMC** advised that a review of the Work Programme had been undertaken to take account of the reduction in Commissioners from three to one. The revised Work Programme outlined what could realistically be achieved by the end of the year, taking into account staff vacancies etc. The budget related to the previous Work Programme and did not reflect in the proposed in year easements..
- 5.8. **KS** outlined the positive outcomes achieved by the Commission in year with reference to the Work Programme.
- 5.9. **MH** highlighted the importance of the Work Programme reflecting that which has been demanded of the Commission from the sector and key stakeholders and suggested again that the Commission should provide more information on activity as she perceived that the Commission was currently underselling itself.

ACTION: Secretariat

- 5.10. **DT** agreed to follow up on the status of the approval of the revised Work Programme.

ACTION: DT

6. Update – Internal Audit

- 6.1. **AT** presented the Internal Audit Progress Report.
- 6.2. **AT** brought the Public Sector Internal Audit Standards (PSIAS) to the attention of the ARC and provided assurance that Goldblatt McGuigan would continue to work in accordance with the PSIAS and the Institute of Internal Auditors International Professional Practices Framework.
- 6.3. **PF** noted that that at the next meeting there would be a number of reports to be reviewed. He requested that that, in future, the schedule for preparation and presentation of the IA reports to the ARC should ensure that the reports are presented throughout the year regularly rather than 3 in one meeting so that the reports can be given sufficient scrutiny. **AT** noted the request.

ACTION: AT & Secretariat

7. Update – Recommendations from Internal Audit & NIAO

- 7.1. **CK** noted the recommendation that had not been accepted and agreed that a separate SLA for the services of CPD was not required.
- 7.2. She requested that the document be amended in future to include updates on the most recent recommendations, and those recommendations requiring follow up from previous years. Those recommendations accepted and implemented could be removed.
- 7.3. **AT** requested the same format be applied to recommendations from Internal Audit

ACTION: Secretariat

8. Risk Strategy & Register

- 8.1. **AMC** apologised that an updated Risk Register had not been circulated. An updated version of the Risk Register based on the revised Work Programme, and taking into account recommendations provided by **CK** at the last ARC meeting, would be presented to the Board Meeting on 4 February 2013. It was agreed that it would be circulated for comment to ARC members and **CK** after this meeting had take place.

ACTION: Secretariat

9. Freedom of Information (FOI) Requests

- 9.1. There were no FOI requests.

10. Review of Terms of Reference

- 10.1. **CK** advised the Audit Committee Handbook, March 2007 was still considered best practice.
- 10.2. It was agreed the references to Statement of Internal Control and the Annual Programme would be reviewed.

ACTION: Secretariat

11.AOB

- 11.1. **CK** advised that the Commission's Annual Report & Accounts had been signed by the C&AG on 18 October 2012.
- 11.2. **RB** asked members to note that a former Commissioner had made a claim to the Commission for redundancy pay. Members would be kept informed of any significant developments in relation to the claim.

ACTION: Secretariat

- 11.3. **KS** advised she was meeting with the Secretary of State on 24 January 2013.
- 11.4. It was agreed the July meeting would provisionally move to 17 July 2013, with **PF** to confirm attendance as soon as possible.

ACTION: PF

The date of the next meeting is Wednesday 10 April 2013 @ 10.30am

Signed
Name _____
 RICHARD BUCHANAN

Date 10 April 2013