



## **AUDIT & RISK COMMITTEE**

### **Minutes of Meeting on Wednesday 17 July 2013**

#### **Present:**

Richard Buchanan **RB** (Chair)  
Patrick Farry **PF** (Member)

#### **In Attendance:**

Sharon Trueick **ST** (NIAO)  
Brian Clerkin **CK** (Head of Internal Audit)  
Angela Trimby **AT** (OFMDFM)  
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 Adrian McNamee (CVSNI), Collette Kane (NIAO), Peter Robinson (OFMDFM) and Linda Mervyn (OFMDFM)

#### **2. Register of Interests / Contractor-Supplier List**

- 2.1. There were no conflicts noted.

#### **3. Minutes of meeting on 10 April 2013**

- 3.1. The minutes were agreed by all.

#### **4. Update – Accounting Officer**

##### **2013/14 & 2012/13 Budget**

- 4.1. **KS** advised the Commission has a total budget allocation of £1,061,000 for the 2013/14 year.
- 4.2. The Commission had received a letter from the Department on 11 June 2013 detailing the Department's expectation on budget management for all ALBs to operate within their allocated budget, avoiding overspend and managing underspend within a tolerance level of 0.5%.
- 4.3. The final 2012/13 budget after monitoring rounds was £925,000. The anticipated final outturn for 2012/13 was £903,415.

- 4.4. **RB** and **PF** expressed concern about a trend for underspend and significant easements from the Commission's budget in previous years. On the basis of the budget presented to the ARC, that trend looked likely to continue. Both noted assurances given previously that tighter monitoring and control of budgets would reduce the potential for significant variances in the future and they sought assurance that action was being taken to ensure that would be the case.
- 4.5. **KS** advised that all easements and underspend were accounted for with robust explanations and that there were external factors impacting on the budget which were out of the Commission's control. The new Accounting Officer would be in place from 5 August 2013, the Commission had moved to new accommodation and would have a full staffing complement in year which would provide reassurance to the ARC.

#### **Procurement**

- 4.6. The Commission has been pursuing for some time, training for staff so that procurement exercises between £5 – £30,000 could be undertaken in-house rather than through a CoPE (CPD).
- 4.7. The Department had confirmed that training for staff to undertake procurement exercises but as that training had to be provided by CPD this was not currently available although there is to be a review in September. Alternative accredited providers of training were not available.
- 4.8. The resulting implications, for the Commission's deadlines and targets in the 2013/14 Work Programme, particularly in respect of the procurement of PR consultancy support and the knock-on effect on the Communications Strategy and on the Commission's budget had been noted by the Board and the Commissioner has written to the Department highlighting these issues.

#### **Internal Audit**

- 4.9. The Commission's new Internal Audit service provider is ASM. Brian Clerkin is the new Head of Internal Audit. A draft strategy for Internal Audit in 2013/14 was drafted for discussion. In a pre-meeting between PF, RB and BC, it had been agreed that BC would seek the working papers from the previous auditors and take these into account in finalising the draft Audit Plan for 2013/14. It was also agreed that consideration of this by the ARC should not await the next meeting and BC undertook to submit the draft when ready (see 10.2 below).

#### **Annual Report & Accounts**

- 4.10. An accountant to undertake the Preparation of Accounts was appointed on 10 July with work beginning immediately. A draft of the year-end financial statements are expected to be presented to **the Commission on 31 July 2013.**

#### **NIAO Strategy**

- 4.11. NIAO had provided an outline of their strategy for the Commission's 12/13 Annual Report and Accounts. A draft of the year-end financial statements would be provided to NIAO by 9 August 2013 and NIAO would begin fieldwork on 12 August 2013, with the process completing in October 2013.

#### **2013-16 Corporate Plan and 2013/14 Work Programme**

- 4.12. The 2013-16 Corporate Plan and 2013/14 Work Programme were submitted to the Department on 13 June 2013.
- 4.13. It was understood the VSS was undertaking research similar to the Commission's proposed research on Quality Standards and there was a possibility the Commission's research project may not be taken forward.

Alternative projects with the required Departmental approval, or the possible surrender of allocated funds were to be considered.

#### **Recruitment**

- 4.14. The Secretary to the Commission is expected to be in post by 5 August 2013.
- 4.15. The Policy Officer resigned on 27 June 2013. Interim arrangements to cover the work of the Policy Officer were put in place and are subject to review.
- 4.16. **RB** advised that, in order to mitigate any risk to the Commission, advice should be sought in relation to the Commission's obligation to offer the position to those candidates who scored above the suitability for appointment threshold on the merit list from the original recruitment competition.

#### **ACTION - Secretariat**

- 4.17. It had been agreed the appointment of an AO was to be placed on hold and further discussion regarding staffing to take place at Senior Management Team.

#### **Freedom of Information**

- 4.18. **One** Freedom of Information request was processed in May 2013.
- 4.19. The request was responded to within the timeframe outlined in the Commission's Freedom of Information Policy.

### **5. Risk Register**

- 5.1. **BC** advised that the format of the Risk Register was consistent with other NDPB's standard and that the number of risks included were not excessive. He suggested the Commission could consider how the risks were articulated and if they were captured in specific terms.

#### **ACTION – Secretariat**

### **6. Corporate Plan 2013/16**

- 6.1. The 2013 /2016 Corporate Plan was submitted to the Department on 13 June 2013. **AT** to advise when approval should be expected.

#### **ACTION - AT**

### **7. 2012/13 Work Programme Outturn**

- 7.1. The 2012/13 Work Programme Outturn was noted.

### **8. Annual Report and Accounts**

- 8.1. It was noted that preparations for the completion of the Annual Report and Accounts were underway.

### **9. Work Programme 2013/14**

- 9.1. **RB** expressed concern that a lack of approval of the Work Programme meant the Commission was undertaking work without the authority to do so and this represented a risk to the Commission. **AT** to advise when approval should be expected.

#### **ACTION - AT**

- 9.2. **KS** advised that the Work Programme had been amended to change the quarterly reports regarding the Victims and Survivors Service to six monthly reports.
- 9.3. The delay on the progress of the Communications Strategy as a result of the issue regarding training for staff to undertake procurement exercises was discussed. **KS** advised she had formally written to OFMDFM on the matter. Letter to be issued to **RB** and **PF**.

**ACTION - Secretariat**

- 9.4. **AMC** advised the Business Case to engage a Communications Expert had been revised and it was anticipated CPD would be engaged to undertake the tender on the Commission's behalf, in order to prevent further delays.
- 9.5. **BC** and **ST** made suggestions for alternative options to expedite the training and tender processes. The Commission to liaise with the NIAO and the Department on alternatives.

**ACTION - Secretariat**

## **10. Internal Audit**

- 10.1. The outstanding final reports from 2012/13 and the 2012/13 Internal Audit Annual Report were noted.
- 10.2. **BC** advised ASM had provided a draft 13/14 Internal Audit Strategy to the Commission. However, ASM were requesting files from the previous Internal Audit service provider, had met with ARC members to discuss the strategy, and had noted issues arising from the ARC meeting. The strategy would therefore be reviewed and finalised with ARC members and the Commission by email before being implemented.
- 10.3. **PF** requested reports be presented to the ARC in a timely fashion.

**ACTION – BC and Secretariat**

## **11. External Audit Strategy**

- 11.1. **ST** presented the strategy from the NIAO regarding the Commission's 2012/13 Annual Report and Accounts.
- 11.2. It was noted that NIAO considered the vacant post of Secretary to the Commission to be a significant risk.
- 11.3. There was discussion regarding the claim for redundancy made by a previous Commissioner and the implications of the outcome of the case for the Commission and OFMDFM.
- 11.4. The timetable for the preparation and publication of the Annual Report and Accounts was noted.
- 11.5. The introduction of a Governance Statement to replace the Statement of Internal Control was noted.
- 11.6. **ST** to liaise with Collette Kane, NIAO as to whether the lack of approval of the Work Programme should be considered a risk.

**ACTION - ST**

## **12. Update – Recommendations from Internal Audit & NIAO**

- 12.1. The updates were noted.

### **13.Freedom of Information (FOI) Requests**

13.1. There was one FOI request processed in May 2013.

### **14.Review of Terms of Reference**

- 14.1. The requested amendments were noted.
- 14.2. It was noted that Melanie Humphreys had resigned as a member of the ARC. The Committee noted her valuable contributions to the Committee and recorded their thanks to her.
- 14.3. **AMC** advised OFMDFM had confirmed a new member of the ARC would have to be appointed via a public appointments process.
- 14.4. Discussion took place regarding the necessity of recruiting a new member. **BC** advised the Commission would not be alone in having an ARC with 2 members.
- 14.5. It was agreed that, as the ARC and its attendees provided a range of experience in all relevant areas to the committee, in the short term a new member would not be recruited. This will be reviewed in 6 months.
- 14.6. **AT** advised she would report the matter back to the Department, and if there were any concerns they would be conveyed to the Commission.

**ACTION - AT**

### **15.AOB**

- 15.1. **AMC** advised the Commission had received new information on the way in which the RAG status on the Work Programme should be presented. It was agreed no changes would be implemented until the Commission and the ARC had been provided with the relevant formal new guidance detailing the amended RAG status by OFMDFM.

**ACTION – AT and Secretariat**

The date of the next meeting is Wednesday 2 October 2013 @ 10.30am

Signed \_\_\_\_\_  
Name RICHARD BUCHANAN

Date 2 October 2013