

AUDIT & RISK COMMITTEE
Minutes of Meeting
Thursday 23 July 2015, 10.30am
Head Line Building

Present:

Richard Buchanan **RB** (Chair)
Mary McIvor **MMI** (Member)

In Attendance:

Brian Clerkin **BC** (Internal Audit)
John Beggs, Secretary to the Commission **JB** (CVSNI)
Alana Fisher **AF** (Minutes)

1. Introduction and Apologies

- 1.1. The **Chair (RB)** welcomed everyone to the meeting.
- 1.2. There were apologies from:
 - Paddy Farry **PF** (ARC Member)
 - Rodney Allen **RA** (NIAO)
 - Linda Mervyn **LM** (OFMDFM)
 - Maria Kane **MK** (OFMDFM)
 - Craig Gartley, Head of Corporate Services **CG** (CVSNI)

2. Register of Interests / Contractor-Supplier List

- 2.1. There were no conflicts noted.

3. Minutes of meeting on 22 April 2015

- 3.1. The minutes were agreed by all. **RB** approved the minutes.

4. Update – Accounting Officer

JB advised that Judith Thompson had been named as the new Commissioner and was to take up post in September 2015. **JB** planning to meet Judith Thompson following formal press statement in afternoon of 23 July.

Budget 2015/16

- 4.1. The Budget and quarterly outturn was noted. **JB** confirmed that the Commission had reflected the 12.8% cut in the budget and were planning accordingly for further in-year cuts between 1-4%.
- 4.2. **JB** noted that the budget would also need updated for considerable savings in the planned move to Equality House. He explained that the move was at the stage of an Agreement in Principle but was still subject to approval of the Memorandum of Temporary Occupation (MOTO) and Business Case approval.
- 4.3. **RB** asked if there were any risks associated with the move to the new premises. **JB** advised that there are more synergies than risks in Equality House for the Commission e.g. there are facilities to hold Forum meetings in house which reduces external meetings expenditure. In addition, there are other Commissions in the building and Commissioners can benefit from a shared learning amongst each other. **JB** did note that loss of identity amongst various other organisations was recognised as a risk but provisions were being made to minimise this risk.
- 4.4. **JB** welcomed the reduction in office overheads as there is scrutiny amongst the sector regarding expenditure on administration of offices as opposed to front line services.
- 4.5. **BC** advised of the importance of placing urgency on obtaining an agreed MOTO as without this, the Commission would have no legal recourse.
- 4.6. **RB** noted the importance of being realistic in projected savings giving the example of shared meeting facilities often not being available and hiring of external facilities still being required.
- 4.7. **JB** advised that he and the new Commissioner would plan together to protect the budget going forward to minimise the risk of not fulfilling Statutory Duties and Business Plan objectives not being delivered.

Corporate Plan and Business Plan

- 4.8. **JB** noted that the Commission was on course for meeting all objectives. He advised that outcome reporting was being addressed and that Outcome Based Accountability measures had been developed following a meeting with OFMDFM.
- 4.9. **RB** relayed the importance of communicating pressures faced by the Commission in meeting objectives.
- 4.10. **JB** advised that a new Corporate Plan would be drafted and be presented to the new Commissioner.

ACTION: JB

Other issues to note.

4.12. DAO Guidance

No relevant DAO letters had been received during the quarter although there had been one relating to reducing bureaucracy in grant funding. **RB** suggested that this might be relevant to the Commission in terms of its role in overseeing the work of the VSS. **JB** advised that this issue was already being progressed by VSS through Independent Assessment recommendations and monitored by the Commission.

- 4.13. No complaints received during the quarter.

- 4.14. No instances of Fraud reported during the period.
- 4.15. No exceptional gifts or hospitality given or received during the period and all standard gifts and hospitality registered and available on Commission's website.

5. External Audit

- 5.1. **JB** confirmed that the draft accounts had been prepared and circulated to **PF**.
- 5.2. **JB** advised there were a few issues with the draft accounts that were to be discussed with **CG** and Ross Boyd Ltd. **RB** advised that **PF** had noted the reduced cash balance and net deficit in reserves. **JB** advised that the Commission had previously held too much cash and advised that the net deficit would be examined. **RB** requested that when the issue was addressed and cause identified, that an update is provided to the Committee prior to accounts being audited.

ACTION: JB

- 5.3. **MMI** questioned whether in the event of the deficit being realised, the Commission would need approval from the Department for this. **JB** advised that a deficit being realised was highly unlikely but advice would be sought if this was the case.

6. Internal Audit

- 6.1. It was noted that two reviews are to take place; a follow up review of Financial Reporting and Budgetary Control and a review of Information Management and Security.
- 6.2. It was noted that all delegations made under interim governance arrangements received satisfactory assurance.
- 6.3. There was acknowledgement that in the absence of a Commissioner, there were legal responsibilities that had not been delegated but needed attention e.g. complaints handling and appointment of Forum members, but it was recognised by all that it was important that **JB** did not act outside his own delegation and expose the Commission to risk.
- 6.4. It was noted that **CG** had, following a point that had been raised by **PF** at the previous meeting, provided a comprehensive explanation of the partially implemented recommendation on the Follow up Review report (listed at 6.26 in agreed final Minutes).

7. Risk Register

- 7.1. **JB** presented the Risk Register for July 2015.
- 7.2. Discussion took place regarding Corporate Risk 1 and 2 both categorised as red. **JB** proposed that the risk ratings for these be reduced to amber following the appointment of a Commissioner and satisfactory assurance on the interim governance arrangements. **RB** agreed this action and **MMI** advised further review and details would need to be updated in the narrative before the risk was revised. **JB** to update and circulate Risk Register.

ACTION: JB

8. Other Issues to Note

- 8.1. There was a discussion around the ARC appointments coming to an end in November 2015 and the need to appoint new members. **JB** advised that **CG** is addressing this issue and advertising for new appointees in September 2015 with Terms of Reference to be revised also.
- 8.2. **RB** suggested keeping **MMI** on as Chair of the Committee for business continuity and stressed the need to identify the skills required when advertising positions. He added that it would be important to offer an appropriate level of remuneration for the new members and to consider the need for flexibility in terms of timings of meetings.

ACTION: CG

9. AOB

The date of the next meeting is Wednesday 7 October 2015 @ 10.30am

Signed _____
Name RICHARD BUCHANAN

Date