



AUDIT & RISK COMMITTEE

Minutes of Meeting on Wednesday 3 October 2012

Present:

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

In Attendance:

Nicola Drennan **ND** (OFMDFM)
Collette Kane **CK** (NIAO)
Alan Thomson (Head of Internal Audit - **HIA**)
Anne Dorbie **AD** (Secretary to Commission)
Adrian McNamee **AMN** (CVSNI)
Arlene McCreight **AMC** (CVSNI)
Steven Boyd **SB** (PWC)
Lee-Anne McClintock **LMC** (PWC)
Laura Kennedy **LK** (Secretary to the Committee)

1. Introduction and Apologies

- 1.1. The **Chair (RB)** welcomed everyone to the meeting.
- 1.2. There were no apologies.

2. Register of Interests / Contractor-Supplier List

- 2.1. There were no conflicts noted.

3. Minutes of meeting on 20 June 2012

- 3.1. The minutes were agreed by all.

4. Update – Accounting Officer (AO)

- 4.1. Commissioner Bertha McDougall and Interim Managers Brendan McAllister and Patricia MacBride ended their terms of office on 31 August 2012. Kathryn Stone OBE was appointed Commissioner on 24 September 2012. **AD** advised the Commission had requested approval from the Department for the Non-executive Director to continue in the role to provide continuity and support to the Commissioner until the end of the financial year. The Commission was awaiting a response.

- 4.2. There was discussion regarding the organisational structure of the Commission and models on which it could be based. It was understood the Department would provide definitive guidance on the matter, whilst **HIA** could be asked to provide advice.
- 4.3. On 23 April 2012 the Commission received notification that its grant-in-aid for the financial year, 2012-2013, would be £1,330,000.00. Further to a letter from Frank Duffy, OFMDFM dated 30 July 2012, and following an indication from OFMDFM that a single Commissioner for Victims and Survivors would be appointed, the Commission reviewed its projected expenditure during 2012-13. A letter to Frank Duffy, OFMDFM was issued on 1 August 2012 indicating a proposed easement of £179,000 in the October Monitoring Round.
- 4.4. **RB** requested the Budget Summary be amended to include the variance between actual and anticipated spend.

ACTION - Secretariat

- 4.5. It was noted that the Commission received a substantial rating after an internal audit of the Purchasing and Procurement procedures.
- 4.6. With the appointment of the new Commissioner, the working arrangements for the Forum had been examined and reviewed. The Commissioner was due to meet with the Forum on 18 October 2012 to discuss changes to the Forum's working arrangements. It was the Commissioner's view that the Forum would continue to fulfil its aims of being a place for consultation and discussion and to provide advice to the Commission.
- 4.7. The Work Programme 2012/13 had been reviewed and amended in discussion with new Commissioner. The new version had been forwarded to the Department for consideration and the Commission was awaiting response. The risk of a negative perception of the Commission, and the new Commissioner, with regards to stakeholder expectations of the Work Programme, expenditure and a potential lack of output, was identified and noted. The Committee emphasised the importance of tangible and measurable outputs following activity.
- 4.8. The Corporate Plan had not yet been approved by Ministers. Commissioner Stone was considering the Commission's Corporate Plan for 2013-2016 and the Work Programme for 2013/14.
- 4.9. There were no issues raised at the last Accountability/Liaison Meeting with the Department on 6 July 2012.
- 4.10. A PR consultant had been appointed by Direct Award Contract (DAC) to manage the media interest around the Commissioner's appointment.
- 4.11. As the lease for Windsor House would expire at the end of November 2012, a Business Case for new accommodation had been forwarded to the Department for approval.
- 4.12. **RB** requested an update on the position of the Chief Executive post at the Victims and Survivors Service and was advised that the Commission's Accounting Officer had been offered, but had not yet accepted, the post. If the appointment were to be taken up it was likely the AO would leave post within 2 months. **RB** expressed concern that 2 months was not an adequate timeframe in which to appoint a new AO.

5. NIAO Audit – 2011/12 Accounts

- 5.1. **SB** presented the Accounts to the Committee.
- 5.2. It was agreed that Commissioner salaries, and those of the 4 members of the Policy Development and Research Team, would be included under programme costs. The Accounts would be amended to reflect this.

ACTION: PWC & CVS

- 5.3. **RB** suggested the Commission consider seeking 'Investors in People' status.

ACTION: Secretariat

- 5.4. **CK** presented the NIAO Report to those Charged with Governance, highlighting changes to the report from previous years and the issues raised as a Priority 1 or 2 during the audit. She advised the Priority 1 issues would be highlighted in a letter to OFMDFM.
- 5.5. It was noted that the Report included reference to risks resulting from the draft KPMG Report to OFMDFM on the Review of the Commission. **ND** expressed deep concern from the Department that the NIAO Report quoted from a document that was not yet finalised and requested the quote be removed. **CK** agreed the quote would be removed.

ACTION: CK

- 5.6. **AD** advised she would write on behalf of the ARC to the Department, requesting that ARC members are provided with a copy of the draft Report on the Review of the Commission.

ACTION: AD

- 5.7. It was agreed further clarification was required in the Management Statement and Financial Memorandum regarding whether or not ALBs of OFMDFM are covered by the Department's Service Level Agreement (SLA) with CPD, or if a separate SLA is required.

ACTION: ND

- 5.8. **CK** brought the 4th bullet point of the Letter of Representation to the attention of the ARC and the Accounting Officer.
- 5.9. **AD** to liaise with Department on signing the letter with the point included.

ACTION: AD

- 5.10. **PF** noted that whilst the Report highlighted some issues there were not any fundamental problems. **CK** agreed that the Priority 2 issues were not difficult to rectify.
- 5.11. Subject to the amendments being made the committee approved the Annual Report and Accounts and the NIAO Report to those Charged with Governance.

6. Work Programme 2012/13

- 6.1. **MH** reiterated the importance of tangible outputs and requested the Work Programme include detail of targets to be met i.e. targets for attendance at events etc.

ACTION: Secretariat

- 6.2. **HIA** advised an Internal Audit of the Commission's Project/Programme Management would be taking place in the next quarter.

7. Update – Guidance/Policy

- 7.1. Members noted DAO (DFP) 03/12 Introduction of the Governance Statement for the 2012/13 Accounting Period and Annex 3.1. The Governance Statement.

8. Update – Internal Audit

- 8.1. **HIA** advised the Commission had received a substantial rating following an Internal Audit of the Commission's Purchasing & Procurement Procedures.
- 8.2. **RB** requested that, following the issues highlighted in the NIAO report to those Charged with Governance, **HIA** provide assurance for the next ARC meeting that all issues have been addressed.

ACTION: HIA

- 8.3. It was agreed that an audit of Work Programme Performance Management would be postponed and the relevant days allocated to a review of governance and the Risk Register.

ACTION: HIA

- 8.4. It was advised future Internal Audits in the 2012-13 year would also include Information Management & Security, Project/Programme Management and Business Continuity Management.
- 8.5. **HIA** advised the committee that the Commission had received a limited rating following a review of its Corporate and Business Planning Processes.

9. Commissions Risk Management Arrangements

- 9.1. It was agreed the Risk Register should be reviewed and amended in order to reflect new risks identified due to a change in the Commission's organisational structure and the assessment of each risk.

ACTION: Secretariat

- 9.2. **RB** advised the targets should reflect an acceptable minimum level of risk.
- 9.3. **CK** suggested the Commission should review the Register to include the following;
- (i) Measure risk in a 3 x 3 matrix
 - (ii) Score risk and then identify controls
 - (iii) Show the difference between the control actions and any additional action
 - (iv) Remove those risks which are no longer pertinent
 - (v) Revise to include any new risks
 - (vi) Accurately show the Commission's appetite for risk.

10. Freedom of Information Requests

- 10.1. There were no Freedom of Information Requests to report.

11. ARC Annual Report

- 11.1. **RB** requested the secretariat follow the template of the Annual Report included at Annexe 2 of the letter from Noel Lavery dated 17 September 2012 to the Chairs of the OFMDFM ALB Audit Committees meeting 22 August.2012, and update accordingly for the 2011-12 year, before circulating for approval

ACTION: Secretariat

12.Dates for future meetings

12.1. It was agreed meetings would take place on Wednesdays with meetings continuing to take place each quarter from January 2013.

ACTION: Secretariat

13.AOB

13.1. **RB** presented the agenda and action points from the Audit Committee Chairs meeting on 22 August 2012.

The date of the next meeting is to be confirmed.

Signed	_____
Name	RICHARD BUCHANAN
Date	3 October 2012