

**AUDIT & RISK COMMITTEE**  
**Minutes of Meeting on Wednesday 8 October 2014 @10.30am**

**Present:**

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

**In Attendance:**

Linda Mervyn **LM** (OFMDFM)  
Julie Shirlow **JS** (OFMDFM)  
Brian Clerkin **BC** (Head of Internal Audit)  
Christine Burns **CB** (NIAO)  
Ross Boyd **RB** (Ross Boyd Ltd)  
Victoria White **VW** (Ross Boyd Ltd)  
John Beggs, Secretary to the Commission **JB** (CVSNI)  
Alana Fisher, Policy Support Officer **AF** (Minutes)

**1. Introduction and Apologies**

- 1.1. The **Chair (RB)** welcomed everyone to the meeting.
- 1.2. There were apologies from Collette Kane and Laura Kennedy.

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

- 2.1. There were no conflicts noted.

**3. Minutes of meeting on 2 July 2014**

- 3.1. The minutes were agreed by all.

**4. Annual Report and Accounts**

- 4.1. **JB** apologised for an oversight which resulted in the draft Annual Report and Accounts not being circulated to ARC members in advance and confirmed that future practice would ensure the draft Annual Report and Accounts would be forwarded to ARC members for review.

**ACTION: SECRETARIAT**

- 4.2. The content of the Annual Report and Accounts was reviewed and it was noted that **JB** had sought advice from NIAO on signing the documents in the absence of a Commissioner.

- 4.3. **CB** provided an outline of the three Priority 2 issues raised in the Report to those Charged with Governance and noted the good progress that had been made on issues raised in the previous year's report.
- 4.4. The good work undertaken in the first year of **JBs** appointment as Accounting Officer was noted.
- 4.5. The Annual Report and Accounts were approved for authorisation by the Accounting Officer and for submission to NIAO.

**ACTION: SECRETARIAT**

## **5. Update – Accounting Officer**

### **Budget**

- 5.1. **JB** noted the budget cuts of 7% on the original 2014/15 budget which had been applied in year and highlighted the fact that current vacancies, including that of Commissioner, had allowed the Commission to absorb the cuts.
- 5.2. **JB** noted that International Engagement and the Conference on Building for the Future had been removed from the Business Plan, whilst a Follow-up Assessment of the VSS had been included.
- 5.3. **JB** noted that there had been an easement of £30,000 from Depreciation and an easement of £8,500 from Resource in the October Monitoring Round.
- 5.4. It was noted that the revised budget for Depreciation was £5,000.
- 5.5. There had also been a bid for £8,500 for capital expenditure in the October Monitoring Round. This was for IT equipment which had already been purchased by the Commission without capital budget cover, however, it was anticipated approval of the bid in the October Monitoring Round would regularise this expenditure.
- 5.6. **JB** advised he anticipated the Commission would come in on budget in the 2014/15 year.

### **Update on Business Cases and Procurement & Direct Award Contracts**

- 5.7. **JB** advised two Direct Award Contracts had been undertaken in year to date to complete the Six Month Review of the implementation of the recommendations of the Assessment of the Victims and Survivors Service (VSS).
- 5.8. They were awarded to WKM Solutions at of £4,960 and CIPFA at £4,500 including VAT.
- 5.9. **RB** questioned the decision to procure professional services through a Direct Award Contract and **JB** advised that whilst the Commission would have the skills and experience to undertake this project in-house, it was originally undertaken by external service providers, with comprehensive recommendations provided by them. The Department, the VSS and the Commission all have taken ownership of the recommendations relevant to them, and therefore could not be considered independent or without vested interest in the outcome of a Review. In order to ensure the same independence and consistency the Review would need to be completed by the same external service providers, which also represents better value for money.

### **Annual Report and Accounts**

- 5.10. It was noted Ross Boyd Ltd had undertaken the Preparation of Accounts and that NIAO had completed fieldwork and reviewed the Draft Annual Report and Accounts in August & September 2014.

- 5.11. The Annual Report and Accounts were presented to the Committee for consideration and recommendation for approval to the Accounting Officer under Interim Governance Arrangements.
- 5.12. Legal advice had been received and consultation undertaken with NIAO and the Department which confirmed that the Annual Report and Accounts would be authorised by the Accounting Officer and laid before the Assembly as planned.

### **Corporate Plan and Business Plan**

- 5.13. It was noted that both documents were approved by Ministers on 31 July 2014, however, following amendments as a result of enforced budget cuts they were resubmitted to the Department on 28 August 2014.
- 5.14. **JB** advised all key actions in the Business Plan were on target for completion.

### **Risk Management**

- 5.15. It was noted that the Commission had corresponded with the Department on the status of risks. Discussion deferred until Item 7.

### **Internal Audit Contract**

- 5.16. The Commission had sought advice in May 2014 from CPD on whether it would be possible to have a short extension with the current Internal Audit service providers ASM from 22 October 2014 until 31 March 2015 at which time the Commission would have completed a new tender exercise.
- 5.17. CPD had advised there was no legal basis to extend the contract, therefore the Commission had progressed a tender process to engage an Internal Audit service provider once the current contract ends.
- 5.18. The tender process was due to close on 8 October 2014.

### **Audit and Risk Committee Membership**

- 5.19. The Board had previously approved a recommendation to appoint a third ARC Member from another public body.
- 5.20. The Commission had completed an Expression of Interest process for recruitment in conjunction with the Department. However, no responses were received.
- 5.21. The Department had suggested that the Commission could co-opt a third member from the “call off” list from another public sector body ARC. This was currently being pursued.

### **Forum Business Case**

- 5.22. The Business Case, providing cover for the Forum until March 2017, was approved on 30 September 2014.
- 5.23. The membership of the Forum would be reviewed after the appointment of a new Commissioner.
- 5.24. **LM** advised interviews for the new Commissioner would take place in the week commencing 13 October 2014.

### **Management Statement & Financial Memorandum**

- 5.25. The final version of the MSFM was received and signed by the Accounting Officer on 2 September 2014.
- 5.26. To be circulated to ARC members.

### **ACTION: SECRETARIAT**

### **Review of the Commission**

5.27. The next triennial review of the Commission was planned for 2014/15, however, it is anticipated this will not take place until a new Commissioner has been appointed.

### **Update on Recommendations from Internal Audit & NIAO**

5.28. It was noted that Internal Audit Reviews of Gifts and Hospitality and Risk Management took place in Quarter 2.

5.29. The Commission had received a satisfactory assurance for Gifts and Hospitality and a substantial assurance for Risk Management, with recommendations added to the summary document.

5.30. Any NIAO recommendations resulting from the 2013/14 audit would be added to the summary document once the Report to those Charged with Governance is finalised.

### **ACTION: SECRETARIAT**

### **Freedom of Information**

5.31. One FOI request was received and responded to within the required timeframe in September 2014.

### **Complaint**

5.32. One Complaint was received and responded to within the required timeframe in September 2014.

### **HR**

5.33. The recruitment process to appoint a new Commissioner was in progress and it was anticipated a new Commissioner will be appointed and in post before the end of the financial year.

5.34. The Commission had completed recruitment for the Head of Corporate Services post and it is anticipated the successful candidate will be in post by the end of October 2014

5.35. The Corporate Services Manager and the Finance, Assets and Premises Officer had been temporarily promoted until a new Head of Corporate Services is appointed.

5.36. The vacancy created by the departure of the Information and Records Officer was under review.

### **DAO Guidance**

5.37. There was no new guidance to report.

### **Gifts & Hospitality**

5.38. All Gifts and Hospitality for the last quarter had been recorded and approved by the Accounting Officer

5.39. There were no exceptional gifts or hospitality received or provided.

5.40. All Registers for the last quarter were available on the Commission's website.

5.41. It was agreed items for Any Other Business should be requested before the agenda is finalised.

### **ACTION: SECRETARIAT**

5.42. It was agreed Fraud should be included in the AO update as a standing item, even to state nil return.

### **ACTION: SECRETARIAT**

## 6. Internal Audit

- 6.1. The Internal Audit Reviews and recommendations on Gifts and Hospitality and Risk Management were noted.

## 7. Risk Register

- 7.1. **JB** presented the Risk Register for September 2014.
- 7.2. It was agreed to review the impact and likelihood for CR3, and make recommendations to review risk rating for CR3 pending the outcome of research, and following review of the VSS, at the next ARC meeting in January.
- 7.3. It was agreed to reduce the risk rating for CR6 to Amber.
- 7.4. **JB** presented the revised Risk Management Strategy and highlighted the proposed varied approach to Risk Appetite. The Risk Management Strategy was approved.
- 7.5. **JB** presented the draft revised Risk Register, which aligned risks to the Commission's Corporate Objectives and Statutory duties.
- 7.6. It was agreed to trial both a 3 x 3 matrix and a 5 x 5 matrix for assessing risk for one quarter with both to be reviewed at the next meeting.

### **ACTION: SECRETARIAT**

- 7.7. The agreed amendments to the September 2013 Risk Register to be reflected in the revised Risk Register which was agreed for use from October 2014 onwards.

### **ACTION: SECRETARIAT**

## 8. AOB

- 8.1. It was agreed that Complaints Handling in future, would be considered as part of Internal Audit Strategy. Mechanisms would be put in place to review the Strategy following the appointment of an Internal Audit service provider by tender in October 2014.

### **ACTION: SECRETARIAT**

The date of the next meeting is Wednesday 14 January 2014 @ 10.30am

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

Date