



AUDIT & RISK COMMITTEE
Minutes of Meeting
Wednesday 7 October 2015, 10.30am
Head Line Building

Present:

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

In Attendance:

Linda Mervyn **LM** (OFMDFM)
Christine Burns **CM** (NIAO)
Emma Bolton **EM** (NIAO)
Anthony McKibben **AMCK** (Internal Audit)
Judith Thompson, Commissioner **JT** (CVSNI) – Introduction only
John Beggs, Secretary to the Commission **JB** (CVSNI)
Craig Gartley, Head of Corporate Services **CG** (CVSNI)
Marie Neill **MN** (Minutes)

1. Introduction and Apologies

- 1.1. The **Chair (RB)** welcomed everyone to the meeting. It was noted that **JT** would be in attendance during the introduction only in order to formally meet the committee and members.
- 1.2. There were apologies from:
 - Mary McIvor **MMI** (ARC Member)
 - Rodney Allen **RA** (NIAO)
 - Maria Kane **MK** (OFMDFM)

2. Register of Interests / Contractor-Supplier List

- 2.1. It was noted that Dorothy McKee Consulting Ltd was a client of **PF**.

3. Minutes of meeting on 23 July 2015

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

4. Annual Report and Accounts & External Audit

- 4.1. **JB** advised that the NIAO had completed their fieldwork during August and September. **JB** advised that the deficit and underspend would be discussed in greater detail later in the meeting.
- 4.2. The content of the Annual Report and Accounts was reviewed and **PF** acknowledged comments made by **JB** in relation to deficit and underspend and agreed that the adjustments were not considered to be material.
- 4.3. **RB** highlighted some ambiguous/misleading points in the narrative of Commissioner's Foreword and will discuss with **JB** after the meeting.

ACTION: JB

- 4.4. **LM** suggested alternative wording on the Governance Statement in relation to the interim governance arrangements and accommodation move.

ACTION: CG

- 4.5. **CB** stressed the importance of any changes being highlighted and new draft report resubmitted to NIAO as soon as possible as the accounts have already been audited.

ACTION: CG

- 4.6. **CB** provided an outline of the one Priority 1 and three Priority 2 issues raised in the Report to those Charged with Governance.
- 4.7. The Priority 1 issue around journal process and controls was discussed in detail and **RB** requested the Commission's Finance Procedures Manual be updated to address any recommended change in procedures.

ACTION: CG

- 4.8. **JB** stated that a management response would be prepared and issued to NIAO as soon as possible.

ACTION: CG

- 4.9. A discussion took place around the draft accounts in particular the rounding errors and good practice guidance. **RB** requested a process be put in place for the receipt of DAO and FD letters and annexes to ensure the content is fully scanned and appropriate measures undertaken.

ACTION: CG

- 4.10. A discussion took place around the 2013-14 expenditure not accrued for and **CG** provided an explanation as to the exceptional circumstances in relation to outstanding invoices for service charges and recruitment.
- 4.11. The format of the management accounts was highlighted and **CB** pointed out the need to document budget discussions and variances and provide more details in the minutes of SMT meetings and **RB** agreed that a detailed discussion on the budget and variances should be reflected in the **SMT** minutes.

ACTION: CG

- 4.12. **CB** highlighted the unadjusted errors and **RB** confirmed he was content to accept these findings and not to correct the misstatements in the final Annual Report and Accounts.
- 4.13. A discussion took place around the other matters of interest disclosed in section 4.12 of the Report to those Charged with Governance (RTTCWG). Both **JB** and **LM** agreed that the work carried out by the Management Information Officer within the Victims and Survivors Service was of key value to the Commission, the Department and the Victims and Survivors Service.

- 4.14. The Annual Report and Accounts were recommended for approval to the Board on 13 October 2015.
- 4.15. **JB** noted the Letter of Representation would be forwarded following approval of the Annual Report and Accounts at the Board Meeting.

ACTION: JB

5. Update – Accounting Officer

Budget 2015/16

- 5.1. **JB** noted that there was potential for an in year reduction in budget of 1% to 4%.
- 5.2. **JB** noted that the budget still needed to be updated to take account of the considerable savings that would result from the planned move to Equality House. The business case had been approved but the Commission was awaiting approval of the Memorandum of Temporary Occupation (MOTO) and confirmation of the revised accommodation costs from ECNI.
- 5.3. **PF** asked for reassurance that all outstanding invoices due to NIJAC be settled when the accommodation move takes place to avoid unnecessary accruals at year end.

ACTION: CG

Corporate Plan and Business Plan

- 5.4. **JB** noted that the Business Plan had been presented to the Board and approved by **JT**. It has been forwarded to the Department and is awaiting Departmental Board approval. 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.
- 5.5. **LM** suggested that key action 5.12 could be considered to be complete as it has been agreed by the Department that the review of the Commission will be deferred until 2016/17 to allow the new Commissioner to settle in post.

ACTION: JB

- 5.6. **JB** advised that Commissioner and staff will hold a Corporate Planning Day in the coming weeks to discuss the Corporate Plan and a draft will be presented to the ARC for the meeting in January 2016.

ACTION: JB

Other issues to note.

- 5.7. **DAO Guidance**
DAO (DFP) 10/15 Public Accountability Process was noted.
- 5.8. No complaints received during the quarter.
- 5.9. No instances of Fraud reported during the period.
- 5.10. No exceptional gifts or hospitality given or received during the period and all standard gifts and hospitality registered and available on Commission's website.

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 in week commencing 30 November 2015 and a review of Information Management and Security in week commencing 7 December 2015.
- 6.2. **JB** requested views of ASM for scoping out Terms of Reference, in light of discussions today around budgetary control.

ACTION: AMCK

- 6.3. **RB** asked that the Internal Audit recommendations paper be updated to ensure target dates are correct.

ACTION: CG

7. Risk Register

- 7.1. **JB** presented the Risk Register for September 2015 and confirmed that the Board approved the reduction of CR1 and CR2 to amber rating. **JB** highlighted some new emerging risks around the proposed legislation for the Stormont House Agreement Bill which will be discussed at the next Board Meeting.
- 7.2. The ARC members were content with current risk ratings discussed.

8. Other Issues to Note

- 8.1. It was noted that the current members would continue until April 2016. A discussion took place around the recruitment process and in particular, the most appropriate procedures for procuring external support for the process. In that context, **LM** is to confirm whether HR Connect should be considered for this.

ACTION: LM

9. AOB

The date of the next meeting is Thursday 14 January 2016 @ 10.30am

Signed
Name _____
 RICHARD BUCHANAN

Date