



AUDIT & RISK COMMITTEE
Minutes of Meeting
Wednesday 20 January 2016, 10.30am
Head Line Building

Present:

Richard Buchanan **RB** (Chair)
Paddy Farry **PF** (Member)
Mary McIvor **MMI** (Member)

In Attendance:

Linda Mervyn **LM** (OFMDFM)
Colin Childs **CC** (OFMDFM)
Christine Burns **CB** (NIAO)
Amanda McMaw **AMM** (ASM, Internal Audit)
John Beggs, Secretary to the Commission **JB** (CVSNI)
Craig Gartley, Head of Corporate Services **CG** (CVSNI)
Laura Kennedy **LK** (Minutes)
Megan Stevenson (Work Experience, ASM)

1. Introduction and Apologies

- 1.1. The **Chair (RB)** welcomed everyone to the meeting.
- 1.2. There were apologies from Brian Clerkin **BC** (Head of Internal Audit).

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 7 October 2016

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

4. Update – Accounting Officer

Budget Report

- 4.1. **JB** advised the January monitoring round had been called for submission on 2 December 2015.
- 4.2. The Commission had eased a total of £31,000 from the salaries budget. This included;

- £17,000 - requested as a reallocation from Resource to Capital but was allocated as additional Capital funding in the October Monitoring Round. This amount therefore was eased from salaries in the Resource budget in the January Monitoring Round.
 - £14,000 – additional funding from OFMDFM to provide for increased Employers Pension contributions in the October Monitoring Round. This expenditure was provided for within the current budget therefore was eased from salaries in the Resource budget in the January Monitoring Round.
- 4.3. **JB** noted that the Commission had previously completed a submission to OFMDFM detailing the impact of 5% and 10% scenarios for the 2016/17 opening budget with the overarching conclusion that Forum and Research expenditure could ultimately absorb the 5% cut, but 10% would have a major impact on the Commission’s ability to fulfil its statutory duties.
 - 4.4. The Commission had been informed of an indicative budget reduction of circa 5% for the 2016/17 financial year, this was yet to be formally confirmed by OFMDFM.
 - 4.5. **JB** advised the Commission was currently projecting an overspend within tolerance target for the year end. Savings and reimbursements due to the relocation and lack of Commissioner in post earlier in the year had been included in the budget.
 - 4.6. It was noted that the Commissioner had identified a range of new priorities which were reflected in the budget.
 - 4.7. **JB** noted that there were currently 2 vacancies, with recruitment to fill them being progressed.
 - 4.8. The Commission had approved a business case for the Appointment of a Panel to sustain Forum Membership and is currently out to tender for support services in completing the exercise. The process is to commence in February 2016 with the intention to fill Forum vacancies by April 2016.
 - 4.9. **JB** outlined the proposals for the Appointment of a Panel to sustain Forum Membership and the process by which it would be undertaken.
 - 4.10. The Committee noted the process, and discussed the potential risks and impact of the reaction of current Forum members to the changes to the terms and conditions.
 - 4.11. **JB** updated the Committee on a PeaceIV funding bid in which the Victims and Survivors Services (VSS) was the lead partner, and the Commission had a role to play in prioritising and overseeing a dedicated research budget.
 - 4.12. The Committee discussed the historic governance issues at VSS and noted the importance of planning for resources and reviewing processes in order to ensure the funds would be properly administered through the victims groups.

Update on Business Cases and Procurement

- 4.13. The Commission entered into a DAC with a Communications service provider from October – December 2015 for £4,999.
- 4.14. The Commission had completed relocation to Equality House on Monday 9 November 2015 and had reallocated budget savings to programme expenditure.
- 4.15. The MOTO agreement for Equality House from 9 November 2015 to 31 August 2019 was authorised on 9 November 2015.
- 4.16. The Business Cases and Procurement update was to be updated with the date of Business Case approval

ACTION: SECRETARIAT

Performance Report

- 4.17. The Business Plan and Progress Report was also presented to the Board on 19 January 2016 and highlighted that all targets were on track for delivery.
- 4.18. The 2014-17 Corporate Plan had been reviewed by the Commissioner and the planning process to draft the 2016-19 Corporate Plan was underway with draft documents reviewed at the Board meeting on 19 January 2016.
- 4.19. The Commission was required, as per its MSFM, to submit a first draft Business Plan and Corporate Plan to the Department by 31 January 2016, with the final draft due to be submitted by the end of March 2016.
- 4.20. The Commission planned to consult with the Forum and Commission staff on the Plans on 11 February 2016 and invited the Committee to also attend. Draft plans to be circulated before the meeting.

ACTION: SECRETARIAT

Internal Audit (Agenda Item 5)

- 4.21. **AMM** advised ASM fieldwork had been completed and outlined the recommendations in the 2015 Follow Up, the Financial Reporting and Budgetary Control and the Information Management and Security Reviews.
- 4.22. All reviews had been completed with Satisfactory Assurance given.
- 4.23. **PF** asked if previous issues regarding underspend had been considered and **AMM** advised Internal Audit had reviewed the NIAO Report to those Charged with Governance and had nothing further to add.
- 4.24. **AMM** advised the 2015/16 Audit plan had been completed and that the 2015/16 Assurance statement and 2016/17 Draft Audit plan would be presented at the next meeting.

ACTION: INTERNAL AUDIT

5. Risk Management (Agenda Item 6)

- 4.25. **JB** presented the Risk Register for Quarter 3 of 2015/16 noting it contained 3 medium rated risks with amber status and 2 low rated risks with green status.
- 4.26. The Committee recommended that CR3 be re-categorised to RAG status Red to reflect the risks associated with the Appointment of a Panel to sustain Forum Membership noting that it would be reviewed again at the April ARC meeting. **JB** highlighted the range of risk mitigation actions that are being undertaken but accepted that the impact of these will not be made until the process is completed.

ACTION: SECRETARIAT

Other issues to note

Pay Award 2014

- 4.27. **JB** advised that to date the Commission has not yet received OFMDFM and DFP approval for the 2014/15 Pay Remit and staff have not received outstanding back pay and their incremental rises.
- 4.28. **LM** confirmed it was expected the issue be resolved before the end of March 2016.
- 4.29. The Committee noted the issue and agreed that it be monitored within the Corporate Risk Register.

Staffing

- 4.30. The Commission currently has two vacancies in relation to the Policy Support Officer and Information Records Officer posts.
- 4.31. Recruitment exercises had commenced to fill the vacancies.

Review of the Commission

- 4.32. **LM** advised no timeframe had been confirmed for the next review of the Commission.

Forum

- 4.33. As per 4.8 – 4.10.

Audit and Risk Assurance Committee

- 4.34. The Commission is progressing recruitment for the positions on the Audit and Risk Assurance Committee with the objective of the new ARAC being in position from June 2016, in order to facilitate their first meeting in July 2016.
- 4.35. The Business Case for the Recruitment of the new ARAC members has been approved and the exercise is being progressed by HR Connect.
- 4.36. The Commission would liaise with OFMDFM throughout this recruitment process to ensure compliance with the Audit and Risk Assurance Committee Handbook (NI) and best practice in the appointment of independent members.
- 4.37. The Commission would also use this opportunity to review and update the Terms of Reference for the ARAC.
- 4.38. It was agreed that **JB** would liaise with **MMI** regarding the potential of a transition period and her remaining in post alongside new ARAC members.

ACTION: JB

- 4.39. It was agreed to share all recruitment documents with OFMDFM after the Project Initiation Meeting with HR Connect.

ACTION: SECRETARIAT

Guidance Received

- 4.40. The Committee noted Procurement Guidance Note 01/07 The Use of Grant for Procurement and the following DAOs and FDs:
- DAO 01/16 - AUTHORISATION OF 2015/16 DEPARTMENTAL ANNUAL REPORT AND ACCOUNTS
 - FD 01/16 - GOVERNMENT FINANCIAL REPORTING MANUAL (FReM) 2015/16
 - FD 02/16 - RESPONSE TO PAC RECOMMENDTION ON THE USE OF CONFIDENTIALITY AGREEMENTS
 - FD 03/16 - ACCOUNTING FOR DEPARTMENTAL RESTRUCTURING
 - FD 09/15 - NIAO PUBLICATON: MANAGING FRAUD RISK IN A CHANGING ENVIRONMENT: A GOOD PRACTICE GUIDE
 - FD 10/15 – DEPARTMENTAL BUSINESS CASES
- 4.41. **CB** advised the Commission to pay particular attention to DAO 01/16 - AUTHORISATION OF 2015/16 DEPARTMENTAL ANNUAL REPORT AND ACCOUNTS, noting that it included substantial changes regarding the Annual report and its structure.

ACTION: SECRETARIAT

- 4.42. **CB** also encouraged the Commission to note FD 09/15 - NIAO PUBLICATON: MANAGING FRAUD RISK IN A CHANGING ENVIRONMENT: A GOOD PRACTICE GUIDE.

4.43. **JB** advised the Commission Board would go through the self-assessment checklist.

ACTION: SECRETARIAT

Freedom of Information

4.44. There were no FOI requests received this quarter.

Complaints

4.45. There were no Complaints received this quarter.

Gifts & Hospitality

4.46. All Gifts and Hospitality for the last quarter were recorded and approved by the Accounting Officer.

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

4.48. All Registers for the last quarter were to be made available on the Commission's website.

Fraud

4.49. There were no reported instances of fraud during the reported period.

5. Internal Audit

5.1. As per 4.17 – 4.20.

6. Risk Register

6.1. As per 4.21 & 4.22.

7. AOB

7.1. **There was no AOB.**

The date of the next meeting is to be confirmed.

Signed _____
Name RICHARD BUCHANAN

Date