

AUDIT & RISK COMMITTEE

Minutes of Meeting on Wednesday 15 January 2014

Present:

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

In Attendance:

Collette Kane **CK** (NIAO)
Brian Clerkin **BK** (Head of Internal Audit)
Linda Mervyn **LM** (OFMDFM)
Arlene McCreight **AMC** (CVSNI)
John Beggs, Secretary to the Commission **JB** (CVSNI)
Laura Kennedy **LK** (Secretary to the Committee)

1. Introduction and Apologies

- 1.1. The **Chair (RB)** welcomed everyone to the meeting.
- 1.2. Apologies were given from Commissioner Kathryn Stone.

2. Register of Interests / Contractor-Supplier List

- 2.1. There were no conflicts noted.

3. Minutes of meeting on 2 October 2013

- 3.1. The minutes were agreed by all.
- 3.2. **CK** requested minutes of the meeting convened on 8 October 2013 at 12pm to review and approve the Annual Report and Accounts be circulated.

ACTION – Secretariat

4. Update – Accounting Officer

- 4.1. **JB** advised that expenditure in year was projected to be within the tolerance limit set by the Department.
- 4.2. **JB** provided an update on areas of risk within the budget previously highlighted and on risks newly identified.
- 4.3. There was discussion regarding the options for the procurement of Legal Services.
- 4.4. **JB** advised the Programme for the Conference on Dealing with the Past would soon be finalised.

4.5. **RB** requested typing mistakes in the Budget Report be amended.

ACTION – Secretariat

4.6. **JB** provided an update on the status of Business Cases and Procurement. **RB** requested that if any procurement was undertaken by Direct Award Contract that this be brought to the attention of the Committee.

ACTION – Secretariat

4.7. It was noted that a Business Case to provide Supervision for the Commissioner (associated with emotional wellbeing and good mental health) was to be drafted for consideration.

4.8. The 2013/14 Work Programme had been formally approved by Ministers in October 2013. However, an amended 2013/14 Work Programme and Budget was issued to Ministers for authorisation following Board approval on 11 December 2013. Amendments were in relation to the Independent Assessment of the Victims and Survivors Service. It was noted objectives were on target to be achieved by the end of the year.

4.9. A draft 2014/15 Work Programme had been discussed with the Department. The layout and presentation of the Work Programme was also under review.

4.10. **RB** requested the review of the Work Programme take into consideration sharper focus on Outputs, Results and Impacts.

ACTION – Secretariat

4.11. **JB** advised a draft 2014-17 Corporate Plan and draft 2014/15 Work Programme were to be submitted to the Department by 31 January 2014.

4.12. **RB** requested that, in future, the Commission Board minutes from the previous quarter be included in the ARC Papers.

ACTION – Secretariat

DAO (DFP) 09 13 - Remuneration and Travel & Subsistence - Non Executive Appointees

4.13. **JB** advised that, in order to meet the requirements of this DAO, the Commission had made arrangements with its payroll service provider to include ARC members from April 2014.

4.14. Whilst the Department was keen for this arrangement to begin as soon as possible the Commission had taken advice from its payroll provider and determined it would be best to start the new arrangement from the beginning of the new tax year to avoid any mix up regarding Tax & NI already paid in-year by members.

4.15. **PF** asked for clarification if this would be a requirement if members were paid not as individuals, but as a Limited Company.

ACTION – Secretariat

Review of the Commission

4.16. The final version of the Review was submitted to Ministers on 21 August 2013. On Thursday 3 October Ministers responded to this submission by requesting that the report to be sent to the Commissioner, then to the OFMDFM Committee and to publish in full thereafter. Hardcopies of the report had been received by the Commission

4.17. The Commission will be providing responses to the Review's recommendations.

4.18. It was noted the Review had been posted on the OFMDFM website since October 2013.

Communications and Media Engagement (Emeritus Communications)

4.19. The current contract ended on 29 November 2013 and a final invoice has been requested to close the contract.

- 4.20. The tender for Communications services until March 2015 closed on Friday 8 November 2013.
- 4.21. Two tenders were received and the tender was awarded to Emeritus Communications on 27 November 2013. The contract commenced on 2 December 2013 and would end on 31 March 2015.
- 4.22. A Project Initiation meeting took place on 2 December 2013 and the Commission's Standard Contract was issued.

Schedule of Dilapidations

- 4.23. Negotiations resulted in a final figure of £38,140 which was agreed by the Board on 9 December 2013.
- 4.24. It is anticipated the matter should be closed by end January 2014.

Management Statement & Financial Memorandum

- 4.25. Comments were sent to the Department on the most recent draft on 3 July 2013. Awaiting final draft.

Update on Recommendations from Internal Audit & NIAO

- 4.26. Recommendations from the NIAO Report to those Charged with Governance presented in October 2013 and the Internal Audit Reports on Financial Reporting and Budgetary Control, Payroll and Expenses and Work Programme Performance Management were included.
- 4.27. All recommendations were accepted.

HR

- 4.28. The Policy Officer who commenced employment on 7 October 2013 tendered his resignation on 20 November 2013 and his last day in the Commission was Monday 30 December 2013. A replacement had been sought from the merit list and it was anticipated that the replacement would commence work in the Commission on 20 January 2014.

Historic investigation - Pilot Forum/Forum Transition Group

- 4.29. **JB** advised all files had been received and that he would review the matter and determine a course of action.

ACTION - JB

Equal Opportunities Policy

- 4.30. The policy was noted by members.

Freedom of Information Requests

- 4.31. There were no FOI requests received this quarter.

Direct Award Contracts

- 4.32. No Direct Award Contracts had been undertaken in year to date.

5. Internal Audit

- 5.1. **BC** presented a revised Internal Audit Strategy, noting that following discussion with the Commission, it was proposed that Communications and Information Management be postponed until 2014/15 and Corporate Governance be reviewed in 2013/14. This was taking into consideration the appointment of a Communications service provider at the Commission and the upcoming Review of the Commission due to be undertaken in 2014/15.
- 5.2. It was noted that an Internal Audit of Purchasing and Procurement would be undertaken in 2013/14.
- 5.3. **BC** to update Strategy and reissue.

ACTION - BC

- 5.4. The Strategy was approved.

- 5.5. **BC** outlined the Internal Audit Final Reports on Financial Reporting and Budgetary Control, Payroll and Expenses and Work Programme Performance Management. It was noted all three reports provided Satisfactory assurance.
- 5.6. It was noted that follow up of the Reports would be in one year. The next Internal Audit reviews would begin on 27 January 2014.

6. Risk Register

- 6.1. Discussion took place regarding Corporate Risk 1. On the basis of audit assurance, improved management controls and outturns for the current year to date, **JB** proposed the Likelihood and Impact should be amended to reduce the Risk Rating to Amber. It was agreed the Target should be amended to '3'. It was the agreed the Impact would remain at 3. A review of the Likelihood would be undertaken at the next meeting.

ACTION – Secretariat

- 6.2. Discussion took place regarding Corporate Risk 3. Whilst it was noted that the Department would be of the view the Risk Rating could be reduced, and that there had been much positive activity regarding the concerns about the Victims and Survivors Service, it was agreed there would be no amendments to the Risk Rating until the outcomes and results of that activity had been completed and assessed. It was agreed that CR3 will remain high risk until year end.
- 6.3. **RB** requested confirmation that this was considered a Shared Risk by the Department and was reflected on their Risk Register

ACTION – LM

- 6.4. Discussion took place regarding Corporate Risk 6. On the basis of audit assurance, improved management controls and outturns for the current year to date, **JB** proposed the Likelihood and Impact should be amended to reduce the Risk Rating to Amber. It was the agreed the Impact would be reduced to 2 and the Overall Rating to 4 with a further review to be undertaken at the next meeting.

ACTION – Secretariat

- 6.5. Discussion took place regarding Corporate Risk 7. **JB** advised of concerns of the Commissioner with regards to organisational structure, staffing and resources. **JB** advised the matter had been discussed with the Department and that he would undertake a review of the structure and resources at the Commission for further consideration. Corporate Risk 7 would be reviewed following this.

ACTION – Secretariat

- 6.6. **CK** suggested Corporate Risks 5 & 7 could be combined. Agreed by all.

ACTION – Secretariat

7. AOB

- 7.1. **LM** requested an update on the membership of the ARC. **JB** advised the Commission was considering the skills and requirements from a third member and noted that the current ARC membership was due to end its second term in November 2014. An interim measure was therefore under consideration.

The date of the next meeting is Wednesday 9 April 2014 @ 10.30am

