



AUDIT RISK & ASSURANCE COMMITTEE
Minutes of Meeting
Wednesday 12 April 2017, 10.00am
Equality House

Present:

Mary McIvor **MMI** (Chair)
Brian McDonald **BMD** (Member)
Gerry O'Neill **GON** (Member)

In Attendance:

Marie Matthews **MM** (TEO)
Colin Childs **CC** (TEO)
Kathy Doey **KD** (NIAO)
Brian Clerkin **BC** (ASM)
John Beggs, Secretary to the Commission **JB** (CVSNI)
Marie Neill **MN** (Minutes)

1. Introduction and Apologies

1.1. The **Chair (MMI)** welcomed everyone to the meeting. Apologies from Colin Moffett, TEO and Craig Gartley CVS.

2. Register of Interests / Contractor-Supplier List

2.1. There were no Conflicts of Interests.

3. Minutes of meeting on 18 January 2017

3.1. The minutes were agreed by all. **MMI** approved the minutes.
3.2. Action notes from previous meeting were discussed and agreed. **BMD** stated that he had amendments to ARAC TOR and would forward them to CVS as soon as possible.

ACTION: BMD

4. Update – Accounting Officer

Performance Report

- 4.1. **JB** stated that the 2016/17 Business Plan was updated at the end of Quarter 4 (end of March 2017) and reported all targets as completed with exception of the delivery of the annual conference which had been deferred to 2017/18.
- 4.2. **JB** presented the 2017-20 Corporate Plan with outcome based accountability approach which was approved by the Board 31 March 2017. Consultation had taken place with Department, Forum and sector.
- 4.3. It was noted that the Corporate Plan was now in a more simplified format and suited to the audience. **MM** stated that the document was aligned to the Department Corporate Plan also.
- 4.4. **MMI** noted that Peace IV would be a significant piece of work for the Commission and queried who would be responsible and what the timeline was.
- 4.5. **JB** stated that Head of Policy and Research had developed Project Implementation Plans for three projects as agreed with the Department and VSS.
- 4.6. It was agreed that **JB** would circulate the plans and arrange a separate session to present these to ARAC.

ACTION: JB/MN

- 4.7. **JB** highlighted that the NISRA Omnibus survey had been put on hold due to budgetary restrictions and was planned to go out during 2017/18.
- 4.8. **GON** queried why the consultancy DAC was not on the ALB quarter 4 Assurance Statement. **JB** stated that it was reported on the previous quarter's return and **MM** advised that the ALB report was not reported on a cumulative basis.
- 4.9. **JB** advised that an annual DAC statement will be sent to ARAC for 2016/17
- 4.10. **JB** presented the Outcome Delivery Plan 2017/18 which replaces the Business Plan and provides a more simplified approach. **JB** highlighted that due to uncertainty around budget for 2017/18 no new discretionary expenditure was planned for 1st quarter.
- 4.11. **GON** queried what impact the resignation and imminent departure of Head of Policy and Research would have on the Commission.
- 4.12. **JB** advised that Head of Policy and Research had been with the Commission for some time and the loss of Corporate History would be felt and in particular with the Peace IV projects. **JB** also stated that the Commission awaited the outcome of the external BCS review before progressing recruitment.
- 4.13. **MMI** stated that this was a key post and asked the Department if any assurance could be provided to the Commission that they could progress with filling the vacancy left by Head of Policy and Research.
- 4.14. **MM** advised that there was no suggestion in the draft findings of the external review that the post would change therefore the Commission could proceed with the recruitment process.

- 4.15. **JB** stated that work had commenced on the job description and the recruitment process could take 3-6 months.
- 4.16. **MMI** queried the possibility of utilising staff from NISRA and **BC** stated that SIB could also be an option. **MM** agreed to explore this option and provide advice.

ACTION:JB/MM

Budget Report

- 4.11. **JB** presented the 2016/17 budget with a projected underspend within tolerance limit and subject to year-end.
- 4.12. **GON** commented on the closeness to tolerance limit. **JB** stated that the intention was to maximise spend during 2016/17 and highlighted the variance still an estimation until draft accounts prepared.
- 4.16. **BMD** questioned if the Department could provide any assurance to the Commission that any potential reduction in budget would be limited to prevent any future impact, due to the forthcoming increase in accommodation costs and existing impact assessments and scenarios. The Department agreed to take this into account.
- 4.17. **MMI** agreed with **BMD** and ask that the Department take this into account.
- 4.18. **JB** presented the 2017/18 budget based on an indicative 4% reduction and pointed out the direct impact on programme budget with a 50% reduction from previous year. The Forum budget would make up the majority of the programme budget which would leave little for Research and Engagement. The salaries budget included the current vacant post of Forum Manager and due to be vacant post of Head of Policy, Research and Development.
- 4.19. **BMD** and **BC** highlighted that the figures for overheads and salaries need to be reviewed for consistency and proportionality.

ACTION: CG

Update on Business Cases and Procurement

- 4.20. The update on Business Cases, Procurement and Post Project Evaluations was discussed.

5. External Audit

- 5.1. **JB** stated that Deloitte had been appointed to provide quality assurance and technical support in the preparation of the 2016/17 Annual Report and Accounts. An introductory meeting is to be arranged with Deloitte to discuss further details and timeline.

ACTION: MN

- 5.2. **MMI** expressed concern that the next meeting scheduled for July would not allow sufficient time for the ARAC to review the draft Annual Report and Accounts. It was agreed that the meeting be brought forward to June and a suitable date is to be agreed subject to diary commitments.

ACTION:MN

- 5.3. **KD** presented the NIAO 2016/17 Audit Strategy following a meeting with the Commission to discuss potential significant risks.
- 5.3. **KD** highlighted that the issues encountered in the previous year would not impinge on audit opinion and NIAO will particularly review and focus on the quality assurance process.

- 5.4. **KD** highlighted the audit timetable with a view to commencing at the beginning of August and certifying the accounts by the end of September.
- 5.5. **KD** advised that the Lead Auditor would be Pamela Dugdale and not Matthew Wilson as previously advised.
- 5.5. **GON** requested a copy of the Commission's Fraud Action Plan and Policy and Whistleblowing policy. **JB** advised that the policies were available to view on the Commission website and it was agreed that an email would be forwarded to ARAC with a link to the Commission's policies.

ACTION:MN

- 5.6. Following a discussion it was agreed that going forward all Commission's policies relevant to ARAC would be on the Agenda for the next meeting and thereafter annually on the April Agenda.

ACTION:MN

6. Internal Audit

- 6.1. **BC** presented the final report with management responses for the Programme and Project Management review which received satisfactory assurance.
- 6.2. **BC** highlighted that whilst the Commission has in place project management guidance and templates, a more formal approach would be recommended going forward.
- 6.3. **MMI** queried if any training was to be provided to ensure best practice around project management.
- 6.4. **JB** stated that MS Project licences had recently been purchased for relevant members of staff to assist in this area however further training and guidance will be provided if necessary.

ACTION: JB

- 6.5. **BC** presented the Annual Assurance Statement 2016/17 which provided a satisfactory rating.
- 6.6. **JB** stated that a new contract had been awarded to ASM and was in place from 1 April 2017 for a period of 2 years.
- 6.7. **BC** stated that a meeting would take place with ASM and CVS to discuss the draft Internal Audit Strategy for 2017-20.
- 6.8. Following a discussion it was agreed that the draft Internal Audit Strategy would be added to the agenda for 8 May 2017 when ARAC would meet to carry out the Self-Assessment and Annual Report. It was also agreed that the CVS Standards would be added to the agenda for 8 May 2017 as requested by **MMI**.

ACTION:MN

- 6.9. **MM** requested sight of Internal Audit Strategy when agreed.

ACTION:MN

7. Risk Register

- 7.1. **JB** presented the new Risk Register and highlighted 6 medium rated risks with amber status, 1 low rated risk with green status and 1 high rated risk with red status.
- 7.2. **MMI** queried the text in status column of CR4 and recommended that it reflect more clearly the position in relation to the potential role the Commission could play in the consultation process for Legacy, subject to resource constraints.

ACTION: JB

7.3. A discussion took place around some mitigating actions not reducing the risks and the possibility of introducing a 5 X 5 matrix. It was agreed that this would be an agenda item for October 2017 meeting.

ACTION: JB/MN

7.4. **BMD** requested sight of Department Risk Register.

ACTION:MM

8. AOB

Pay Award 2016/17

8.1. **JB** stated the 2016/17 pay remit was being finalised for submission to Department in April 2017.

Staffing

8.2. **JB** stated that the Commission currently had one vacancy and the Head of Policy, Research and Development had recently tendered his resignation.

Review of the Commission

8.7. **JB** advised that further meetings had taken place with the Review Team (BCS/DoF) and draft findings were expected April 2017.

Forum

8.8. **JB** stated that the Forum had been totally replenished and events were held to mark the end of the term for the outgoing members. A residential and induction for new members was planned at the end of April.

Audit and Risk Assurance Committee

8.9. It was agreed that the July meeting be brought forward to June as this would give ARAC more time to review the draft Annual Report and Accounts.

ACTION:MN

Guidance Received

8.10. DAO 09-13 Payment of Remuneration, Travel and Subsistence to Non-Executive Directors

8.11. PGN 02-17 Innovation in Public Procurement

8.12. PGN 05-16 The Use of Retention in Construction Works Contracts

8.13. **BMD** highlighted the introduction of IR35 Tax and National Insurance liability for off-payroll engagements through a limited company or third party which was introduced on 1 April 2017. **JB** advised that the Commission were not aware of this guidance and **MM** stated that they would follow this up. **BMD** advised he would forward to the Commission all relevant information and slide presentation.

ACTION:BMD/MM

Freedom of Information

8.13. No FOI requests received in the last quarter.

Complaints

8.14. No complaints received.

Gifts & Hospitality

- 8.15. All Gifts and Hospitality for the last quarter are under review and will be made available on the Commission's website as soon as possible.
- 8.16. There has been no exceptional gifts or hospitality received or provided.
- 8.17. It was agreed that Gifts and Hospitality Registers together with an annual statement of DAC's awarded would be forwarded to ARAC by the end of May 2017

ACTION: MN

Fraud

- 8.18. There have been no reported instances of fraud during the last month.

The date of the next meeting is to be agreed

Signed *Mary McIvor*
Name MARY MCIVOR
Date 29/6/17