



AUDIT RISK & ASSURANCE COMMITTEE
Minutes of Meeting
Thursday 12 October, 10.00am
Equality House

Present:

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

In Attendance:

Colin Moffett **CM** (TEO)
Marie Matthews **MM** (TEO)
Amanda McMaw **AMM** (ASM)
Deborah Park **DP** (NIAO)
John Beggs, Secretary to the Commission **JB** (CVSNI)
Craig Gartley **CG** (CVSNI)
Laura Loughridge **LL** (Minutes)

1. Introduction and Apologies

1.1. **The Chair (MMI)** welcomed everyone to the meeting and all attendees introduced themselves.

2. Register of Interests / Contractor-Supplier List

2.1. There were no Conflicts of Interests.

3. Minutes of meeting on 29 June 2017

- 3.1. The minutes were agreed.
3.2. **CM** noted point 3.2 - *The Department agreed to take account of these factors*, clarifying that the Department would try to consider the factors outlined when allocating budget reductions.
3.3. **ACTION POINT 3** - TEO to circulate Departmental Risk Register
CM advised the TEO Director of Finance had not agreed to share the Departmental Risk Register. It was noted that it had not yet been approved.
CM agreed to revisit the request to share, once it has been approved.

ACTION - CM

3.4. **ACTION POINT 4** - Draft Report of the Review of the Commission to be sent to the Commission.

It was noted that the Final Report had been agreed by all parties and received by the Commission. The Report had been circulated to committee members and attendees, however, it had not yet been approved by Ministers. **JB** noted, therefore, that it was not for wider circulation or publication. **JB** confirmed that he would provide updates to the Committee on the progress of implementing the recommendations of the Report in the Accounting Officer Update at future meetings.

ACTION - JB

4. Annual Report and Accounts

- 4.1. With the agreement of all attendees, the Chair asked **DP** to present the findings from the NIAO Audit of the Annual Report and Accounts.
- 4.2. **DP** provided an overview of the draft Report to those Charged with Governance and highlighted the 5 recommendations, 2 of which were Priority 1 recommendations, 2 of which were Priority 2 recommendations and one Priority 3 recommendation.
- 4.3. **JB** noted the improvements made from the previous year's audit, particularly quality of the Annual Report and Accounts, and the NIAO acknowledgement of those improvements. He noted that the fact the Accounts were unqualified and that expenditure was underspent and within tolerance, was a positive.
- 4.4. **JB** also noted that there were some issues arising from the audit which would need to be addressed, and advised he was disappointed that the Commission had incurred an additional fee from the NIAO as a result of the additional fieldwork. He noted that NIAO had offered a follow up meeting with the Commission in order to work on the progress that had been made and to resolve any issues in preparation for next year's audit.
- 4.5. **JB** advised that due to time constraints, management responses to the recommendations had not yet been drafted, but that, in the main, the recommendations would be accepted. He highlighted most concern over the rent arrears and implications for two of the recommendations.
- 4.6. The Committee discussed the recommendations, noting the detailed fieldwork undertaken by NIAO and accepting the context of the recommendations as provided by the Commission.
- 4.7. **JB** and **CG** both noted the lessons learned from the findings of the NIAO and the changes that would be made in order to implement the recommendations.
- 4.8. Discussion took place regarding the added value of having an external service provider undertake a quality assurance role in the preparation of accounts. **JB** acknowledged that there was limited value in this additional support, accepting the Committees recommendation that this part of the process be reconsidered for next year.
- 4.9. **GON** suggested the wording at *Non Current Assets* in the Letter of Representation be reviewed in order to provide explanation as to why assets are not revalued.

ACTION – NIAO

- 4.10. **BMD** queried the wording at Recommendation 3 - Reconciliation of payroll costs. **DP** agreed it would be reviewed.

ACTION - NIAO

- 4.11. The Committee noted the importance of incorporating lessons learned into activity for the Preparation of the Accounts in future. **JB** confirmed the

- recommendations and lessons learned would be monitored and reviewed at SMT and Board and reported on at ARAC meetings throughout the year.
- 4.12. The Chair confirmed the committee were content for the Board to review and approve the Annual Report and Accounts.

5. Update – Accounting Officer

Performance Report

- 5.1. The Outcome Delivery Plan 2017/18 was noted.
- 5.2. **JB** advised that the Outcome Delivery Plan had been reviewed at TEO Departmental Board and feedback had stated that it was not outcomes focused enough. He advised the Outcome Delivery Plan would therefore be under review, and amendments, mainly to presentation and language, would be incorporated.
- 5.3. **GON** requested that acronyms within the Outcome Delivery Plan be replaced with the full names of organisations and bodies.

ACTION – CVS

- 5.4. **MMI** requested an update on the recent Pay Award. **CG** advised the latest queries had been returned as required and it was hoped the Department would approve it to pass to the Department of Finance. **JB** noted that, in the absence of Ministers, a process for approval by DoF had been put in place.
- 5.5. **JB** noted that expenditure at the start of the year on programme budgets had been slow. He advised that upcoming Forum activity in the coming months would result in more expenditure; that the Attitudinal Survey was currently active, with the Final Report to be delivered and expenditure incurred, by end January 2018; and that seminars and an Annual Conference were in the planning stages.

Budget Report

- 5.6. The 2017/18 Resource Budget Report highlighting spend to end of September 2017 was noted.
- 5.7. **JB** noted the variance to date, advising that he was confident the Commission would utilise the full budget, but not overspend, by year end. He noted the lessons learned from the recent NIAO audit and the importance of retaining a 'buffer' to accommodate any unforeseen year end expenditure.
- 5.8. **CG** advised the projected underspend on salaries would be reallocated into the Programme Budget.

Update on Business Cases and Procurement

- 5.9. The update on Business Cases, Procurement and Post Project Evaluations was noted.

Forum Business Case

- 5.10. **JB** advised the Forum Business Case 2017-19 had been submitted to TEO for review and approval.

Peace IV Funding

JB advised the Commission had received the final letter of offer from VSS for £250k on 1 September 2017. It was noted that a bank account had been opened on 25 September 2017. He advised that to date the projects were broadly on target, with procurement for the projects to be undertaken by CPD. **JB** advised that a full report on PEACEIV would be presented at the

next meeting. It was noted that **CG** would be undertaking SEUPB training on governance and finance arrangements in the coming week. **CG** would provide a paper detailing all governance and finance arrangements for Board and ARAC once the training has been completed and all arrangements finalised. **BMD** encouraged the Commission to note the importance of setting up all arrangements around the PEACEIV research projects properly.

ACTION – CG

Internal Audit

- 5.11. **AMM** provided an overview of the Draft Internal Audit Strategy for 2017-20. She noted that comments received from TEO would be incorporated into the document and the Final Internal Audit Strategy would be returned to the next meeting for approval.

ACTION - ASM

- 5.12. **AMM** advised that fieldwork for a review of Financial Controls was undertaken in the week commencing 18 September 2017 and the final report had provided a Satisfactory Assurance.
- 5.13. The October 2017 Progress Report and upcoming Internal Audit Reviews in January 2018 were also noted.
- 5.14. **BMD** queried why the fieldwork on Financial Controls, specifically in relation to Payroll, had not uncovered the issues raised by NIAO. **AMM** advised that the Terms of Reference of the review had not required the fieldwork to go into the detail that the NIAO had completed in relation to the annual reconciliations for Payroll against the year-end accounts on SAGE.
- 5.15. It was noted that the upcoming Review of Compliance with the Standards for Services Provided to Victims and Commissioners would focus on the establishment and effectiveness of the arrangements. It was noted that the wording should be amended to remove the term "Steady State".

ACTION - ASM

Risk Management

- 5.16. The updated Risk Register to end of Quarter 2 was noted.
- 5.17. **JB** advised the Risk Register currently contains 4 medium rated risks with amber status, and 4 low rated risks with green status, with CR5 having been downgraded from Red to Amber status in the last quarter.
- 5.18. **JB** noted the risk arising from having no Ministers to approve the Commission's Corporate and Outcome Delivery Plans.
- 5.19. **CM** provided perspective, advising that the Departmental Board would provide approval, noting that the Commission had statutory requirements deriving from legislation, which meant that its actual business should continue. Once Ministers were in post, the approval of the Outcome Delivery Plan would be processed.
- 5.20. **GON** queried the green RAG status at CR8, specifically in relation to the risks associated with the PEACEIV research projects. **JB** advised the governance and management structure of the projects had been established following considerable time and effort, and that he was confident there were no concerns to date. He advised that the projects would be closely monitored on an ongoing basis, and the Risk Register updated, to reflect any risks and changes to the RAG status.
- 5.21. **MM** advised the Commission to consider the implications of the General Data Protection Regulation (GDPR) due to come into force in May 2018 and to include it in the Risk Register. **JB** advised it would be included under CR7.

ACTION – CVS

- 5.22. **CM** confirmed TEO would forward on any guidance or templates to the Commission as required.

ACTION - CM

- 5.23. **DP** highlighted guidance on 3 x 3 or 5 x 5 matrices included in NIAO, Good Practice in Risk Management, June 2011. It was agreed the Commission should retain a 3 x 3 matrix in its Risk Register.

Other issues to note

Review of the Commission

- 5.24. It was noted the Final Report was signed off on 2 October 2017 and that it would require Ministerial approval before it could be published.

Staffing

- 5.25. It was noted that the new Head of Research and Policy Development was scheduled to start on 30 October 2017.
- 5.26. **JB** advised the Evaluation Grading for the Post of Communications and Engagement Officer had been confirmed at SO level. Applications for the role had closed on 15 September 2017 and the interviews were scheduled to take place during the week commencing 16 October 2017. The panel consisted of John Beggs (Chair), Tina McCann and Craig Gartley.
- 5.27. Staffing structure and job descriptions for all posts were currently under review by Secretary to the Commission following a recommendation from the CIPFA review.

Freedom of Information

- 5.28. There were no FOI requests received in the last quarter.

Complaints

- 5.29. There was one complaint received in the last quarter.

Gifts & Hospitality

- 5.30. A De Minimis level of £10 had been included in the Gifts and Hospitality Policy following recommendation from the committee.
- 5.31. Gifts and Hospitality for the last quarter were still under review and would be made available on the Commission's website as soon as possible.
- 5.32. There was no exceptional gifts or hospitality received or provided in last quarter.

Fraud

- 5.33. There were no reported instances of fraud during the last quarter.

Audit and Risk Assurance Committee

- 5.34. The Secretariat advised meetings had been scheduled for 2018. The Commissioner requested members advise if they were content with the dates scheduled.
- 5.35. The next meeting of the ARAC would be arranged and members advised asap.

6. **AOB**

6.1. There was no AOB.

Signed
Name

Mary McIvor
MARY MCIVOR

Date

12 April 18