



Northern Ireland Audit Office

Report to those charged with Governance

The Commission for Victims and Survivors for Northern Ireland
2020-21



3 December 2021

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We have prepared this report for the Commission's sole use. You must not disclose it to any third party, quote or refer to it, without our written consent and we assume no responsibility to any other person.

1. KEY MESSAGES

This report summarises the key matters from our audit of the 2020-21 Commission for Victims and Survivors for Northern Ireland's financial statements which we must report to the Audit Committee, as those charged with governance. We would like to thank the Chief Executive and his staff for their assistance during the audit process.

Audit Opinion

The Comptroller and Auditor General (C&AG) has certified the 2020-21 financial statements with an unqualified audit opinion, without modification on 24 November 2021.

The Audit Certificate is included at [Appendix Two](#).

Misstatements and Irregular Expenditure

Financial Statement Adjustments

The net effect of adjustments on the statement of comprehensive net expenditure and statement of financial position was to increase both net expenditure and the General Fund by £140.

Uncorrected misstatements

There were no uncorrected misstatements identified.

Irregular expenditure

Irregular expenditure totalling £11,792 was identified as a result of the Executive Office review of the 2019-20 pay remit undertaken in February 2021.

This is not considered to be material. See section 4. Findings from the Audit.

C&AG's Report

No report on the account was required.

Audit Findings

During the audit we reviewed internal controls; accounting systems; and procedures to the extent considered necessary for the effective performance of the audit. We identified no priority one recommendations in relation to regularity¹ and the internal control environment.

Full details of findings are included at [Findings from the Audit](#).

¹ Regularity - expenditure and income have been applied to the purposes intended by the Northern Ireland Assembly and that the transactions conform to the authorities which govern them.

Status of the Audit

The Accounting Officer has signed the annual report and accounts together with a letter of representation, the wording of which is included at [Appendix One](#).

The total audit fee charged is in line with that set out in our Audit Strategy.

Independence

We consider that we comply with the Financial Reporting Council (FRC) Ethical Standard and that, in our professional judgment, we are independent and our objectivity is not compromised.

We have not provided any non-audit services to the Commission during the year of account.

Management of information and personal data

The Commission is required to comply with the General Data Protection Regulations (GDPR) in the handling and storage of personal data. Those Charged with Governance should ensure they have made sufficient enquiries of management to form a view on whether there were any significant specific data incidents which should be disclosed in the Governance Statement. We are unaware of any data handling incidents during the year and confirmation to this effect has been sought within the letter of representation included at [Appendix One](#).

During the course of our audit we have access to personal data to support our audit testing. We have established processes to hold this data securely within encrypted files and to destroy it where relevant at the conclusion of our audit. We can confirm that we have discharged those responsibilities communicated to you in accordance with the requirements of General Data protection Regulation (GDPR) and Data Protection Act 2018.

Actions for the Audit Committee

The Audit Committee should:

- Review the findings set out in this report, including the letter of representation and audit certificate at Appendices one and two respectively; and
- Note that there are no uncorrected misstatements.

2. AUDIT SCOPE

We have completed our audit of the 2020-21 financial statements in accordance with International Standards on Auditing (UK) (ISAs) issued by the Financial Reporting Council; with Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'; and with the Audit Strategy presented to the Audit Committee in July, 2021.

There are no new matters to communicate concerning the planned scope and timing of the audit.

3. SIGNIFICANT RISKS

In our Audit Strategy, our assessment of the Commission's operations and control environment did not identify any significant risks over and above the mandatory risk relating to the management override of controls and revenue recognition. A significant risk is an identified and assessed risk of material misstatement that, in the auditor's judgement, requires specific audit consideration.

1. Under ISA 240, there is a presumed significant risk of material misstatement owing to fraud arising from management override of controls. We addressed this risk through our testing of journals, estimates and through a review of any significant or unusual transactions in the year. No issues were identified as part of this work.

2. There is also a presumed risk of fraud in revenue recognition, albeit rebuttable. We assessed this risk not to be material for the Commission.

No additional significant risks were identified during our audit fieldwork.

4. FINDINGS FROM THE AUDIT

Financial Reporting

As part of our audit, we evaluate the qualitative aspects of accounting practices and financial reporting. In this section we draw to your attention any significant changes or issues in respect of accounting policies; accounting estimates; and financial statement disclosures.

The Commission has processes in place for the production of the accounts and continue to produce quality supporting working papers. Officers dealt efficiently with audit queries, effectively prioritising them, and the audit process has been completed within the planned timescale.

Accounting Policies

We reviewed the appropriateness of the accounting policies judged against the objectives of relevance, reliability, comparability and understandability and found them appropriate for the circumstances of the Commission.

Accounting Estimates

Accounting estimates and judgements were considered appropriate – no significant or complex accounting estimates or judgements were made in the financial statements.

Financial Statement Disclosures

We have made a number of suggestions to improve narrative disclosures and to ensure completeness of the disclosures required under the FReM and other relevant guidance. These changes include the inclusion of an intangible assets note and amendments to the remuneration disclosures.

Going Concern

No events or conditions were identified from our audit work that cast significant doubt about the Commission's ability to continue to adopt the going concern basis of accounting.

Annual Report

The Annual Report was considered to be consistent with our understanding of the business, and was in line with the other information provided in the financial statements.

Accountability Report

The parts of the Accountability Report to be audited were considered to be properly prepared in accordance with DoF directions issued under the Government Resources and Accounts Act (Northern Ireland) 2001.

Governance Statement

The Governance Statement was considered to reflect compliance with the Department of Finance's guidance.

Regularity, Propriety and Losses

As a result of a review of the 2019-20 pay remit undertaken by the Executive Office in February 2021 it was identified that the Commission had temporarily promoted two members of staff

during 2019-20 and 2020-21, both at the same grade, when there was only one post available. This resulted in an irregular salary overpayment of £8,588.

In August 2021 it was identified that between the months of October 2019 and May 2020 the Commission had used an EOII Agency Staff member for an AO substantive post. This resulted in a further irregular payment of £3,204.

The Commission has sought approval from the Executive Office to write off the total overpayments of £11,792. The write off approval has not been received as yet.

Internal Control

No significant weaknesses in the design and implementation of internal control have come to our attention during the audit.

Related Parties

No significant matters were arising during the audit in connection with Commission's related parties.

Audit Recommendations

This section outline the findings arising from our audit, as well as management’s response and target date for implementation. Our findings are defined as:

- Priority 1 – significant issues for the attention of senior management which may have the potential to result in material weakness in internal control.
- Priority 2 – important issues to be addressed by management in their areas of responsibility.
- Priority 3 – issues of a more minor nature which represent best practice.

Finding 1 Salary Overpayments

Losses were incurred on two occasions by the Commission in respect of salary overpayments to staff members.

Priority Rating

2

Recommendation

The Commission should put procedures in place to ensure that there is clarity over the grading and number of posts within the organisation and that salaries are paid within those parameters, in order to ensure regularity and avoid re-occurrence of losses of this nature.

Management Response (including target date)

Accepted. Procedures will be put in place to ensure regularity of expenditure. The finalisation of an agreed structure for the Commission will help avoid a re-occurrence of any losses in the future.
Target Date – Q3/Q4 – 2020/21.

Finding 2 Agency Costs

Agency costs for the year (£259,628) are 68% of permanent staff costs for the year (£375,958).

The Commission used four recruitment agencies during the year to contract eight staff at an average cost of £34,316 per staff member. Median total remuneration for permanent staff for the year is £36,596.

Priority Rating

2

Recommendation

The Commission should consider its permanent staff compliment and ensure it is adequately resourced to achieve its objectives in the most cost effective manner.

Management Response (including target date)

Accepted. The Commission continue to work with our sponsor Department -The Executive Office (TEO) to progress the permanent recruitment of staff. CVS are in a state of readiness and require TEO approval. We also await the Business Consultancy Services (BCS) organisational review of the structure of the Commission’s staff complements and grades. (Target Date – Q3 / Q4 – 2020/21)

Finding 3
Travel & Subsistence Claims

Individual members of staff paid for Zoom (£863) and reclaimed the cost via a travel & subsistence claim as the Commission did not have a business account with Zoom.

A staff member paid for key cutting (£205) at a small independent retailer and was reimbursed the expense on a travel & subsistence claim.

Priority Rating

3

Recommendation

The Commission should establish and use business accounts with suppliers. Where this is not possible expenses, which are not travel & subsistence, should be claimed on an expense form for that purpose.

Management Response (including target date)

Accepted. During 2020-21 petty cash was no longer used by the Commission to reduce the level of bureaucracy and cash handing risks in this area. Business accounts are explored for all suppliers. We will introduce a new expense form for internal use and introduce to all staff a 'Travel, Subsistence & Expense' form template. (Target date – Q3 – 2020/21).

There were no priority one recommendations made in our prior year Report to those charged with Governance.

5. MISSTATEMENTS AND IRREGULAR EXPENDITURE

Adjusted misstatements

During the audit process we identified the following misstatements. These misstatements have been adjusted and the net effect on the statement of comprehensive net expenditure was to increase net expenditure by £140.

Area	Issue	SoCNE		SoFP	
		Debit	Credit	Debit	Credit
Other Comprehensive Income	Net movement on indexation of fixed assets was credited to Other Comprehensive Income rather than Revaluation Reserve	140			
Revaluation Reserve	As above				140

Uncorrected misstatements

There were no unadjusted misstatements identified during the audit process

Irregular Expenditure

The following irregular expenditure was identified during the course of our audit.

Description	Amount £
Overpayment of Staff Costs and Agency Costs	11,792

The amounts are not considered to be material therefore the audit opinion has not been qualified.

APPENDIX ONE

LETTER OF REPRESENTATION

[Client Letterhead]

The Comptroller and Auditor General
Northern Ireland Audit Office
1 Bradford Court
Galwally
BELFAST
BT 8 6RB

LETTER OF REPRESENTATION: THE COMMISSION FOR VICTIMS AND SURVIVORS FOR NORTHERN IRELAND 2020-21

As Accounting Officer of the Commission for Victims and Survivors for Northern Ireland I have fulfilled my responsibility for preparing accounts that give a true and fair view of the state of affairs, net expenditure, cash flows, Changes in Taxpayers' Equity; and the related notes of the Commission for Victims and Survivors for Northern Ireland for the year ended 31 March 2021.

In preparing the accounts, I was required to:

- observe the accounts direction issued by the Executive Office, apply appropriate accounting policies on a consistent basis in accordance with International Financial Reporting Standards in force at the reporting date;
- make judgements and estimates on a reasonable basis; and
- state whether applicable accounting standards have been followed and disclosed and explain any material departures in the accounts; and
- make an assessment that the Commission for Victims and Survivors for Northern Ireland is a going concern and will continue to be in operation throughout the next year; and ensure that this has been appropriately disclosed in the financial statements.

I confirm that for the financial year ended 31 March 2021:

- Other than the £11,792 of expenditure incurred in relation to the write-off of salary overpayments, neither I nor my staff authorised a course of action, the financial impact of which is that transactions infringe the requirements of regularity as set out in Managing Public Money Northern Ireland;
- having considered and enquired as to the Commission for Victims and Survivors for Northern Ireland's compliance with law and regulations, I am not aware of any actual or potential non-compliance that could have a material effect on the ability of the

Commission for Victims and Survivors for Northern Ireland to conduct its business or on the results and financial position disclosed in the accounts;

- all accounting records have been provided to you for the purpose of your audit and all transactions undertaken by the Commission for Victims and Survivors for Northern Ireland have been properly recorded and reflected in the accounting records. All other records and related information, including minutes of all management meetings which you have requested have been supplied to you;
- the information provided regarding the identification of related parties is complete; and the related party disclosures in the financial statements are adequate;

All material accounting policies as adopted are detailed in note 1 to the accounts.

INTERNAL CONTROL

I have fulfilled my responsibility as Accounting Officer for the design and implementation of internal controls to prevent and detect error and I have disclosed to you the results of my assessment of the risk that the financial statements could be materially misstated.

I confirm that I have reviewed the effectiveness of the system of internal control and that the disclosures I have made are in accordance with DoF guidance on the Governance Statement.

FRAUD

I have fulfilled my responsibility as Accounting Officer for the design and implementation of internal controls to prevent and detect fraud and I have disclosed to you the results of my assessment of the risk that the financial statements could be materially misstated as a result of fraud.

I am not aware of any fraud or suspected fraud affecting the Commission for Victims and Survivors for Northern Ireland and no allegations of fraud or suspected fraud affecting the financial statements has been communicated to me by employees, former employees, analysts, regulators or others.

ASSETS

General

All assets included in the Statement of Financial Position were in existence at the reporting period date and owned by the Commission for Victims and Survivors for Northern Ireland and free from any lien, encumbrance or charge, except as disclosed in the accounts. The Statement of Financial Position includes all tangible assets owned by the Commission for Victims and Survivors for Northern Ireland.

Non-Current Assets

All assets over £1,000 are capitalised. They are revalued annually using Office for National Statistics Indices. Depreciation is calculated to reduce the net book amount of each asset to its

estimated residual value by the end of its estimated useful life in the Commission for Victims and Survivors for Northern Ireland's operations.

Other Current Assets

On realisation in the ordinary course of the Commission for Victims and Survivors for Northern Ireland's operations the other current assets in the Statement of Financial Position are expected to produce at least the amounts at which they are stated. Adequate provision has been made against all amounts owing to the Commission for Victims and Survivors for Northern Ireland which are known, or may be expected, to be irrecoverable.

LIABILITIES

General

All liabilities have been recorded in the Statement of Financial Position.

There were no significant losses in the year and no provisions for losses were required at the year end.

Provisions

No provisions were required in the financial statements at the end of the financial period.

Contingent Liabilities

I am not aware of any pending litigation which may result in significant loss to the Commission for Victims and Survivors for Northern Ireland, and I am not aware of any action which is or may be brought against the Commission for Victims and Survivors for Northern Ireland under the Insolvency (Northern Ireland) Order 1989 and the insolvency (Northern Ireland) Order 2005.

OTHER DISCLOSURES

Results

Except as disclosed in the accounts, the results for the year were not materially affected by transactions of a sort not usually undertaken by the Commission for Victims and Survivors for Northern Ireland, or circumstances of an exceptional or non-recurring nature.

Uncorrected Misstatements

No unadjusted errors have been brought to my attention.

Events after the Reporting Period

Except as disclosed in the accounts, there have been no material changes since the reporting period date affecting liabilities and commitments, and no events or transactions have occurred which, though properly excluded from the accounts, are of such importance that they should have been brought to notice.

Accounting Estimates

The methods, significant assumptions and the data used in making the accounting estimates and the related disclosures are appropriate to achieve recognition, measurement or disclosure that is in accordance with the financial reporting framework.

Management of Personal Data

Except as disclosed in the Corporate Governance report, there have been no personal data related incidents in 2020-21 which are required to be reported.

Andrew Sloan

The Commission for Victims and Survivors for Northern Ireland

Accounting Officer

12 November 2021

APPENDIX TWO

AUDIT CERTIFICATE

THE COMMISSION FOR VICTIMS AND SURVIVORS FOR NORTHERN IRELAND

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Opinion on financial statements

I certify that I have audited the financial statements of the Commission for Victims and Survivors for Northern Ireland for the year ended 31 March 2021 under the Victims and Survivors (Northern Ireland) Order 2006 as amended by the Commission for Victims and Survivors Act (Northern Ireland) 2008. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and interpreted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Commission for Victims and Survivors for Northern Ireland's affairs as at 31 March 2021 and of the Commission for Victims and Survivors for Northern Ireland's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Victims and Survivors (Northern Ireland) Order 2006 as amended by the Commission for Victims and Survivors Act (Northern Ireland) 2008 and The Executive Office directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of the Commission for Victims and Survivors for Northern Ireland in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical

Standard 2019, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Commission for Victims and Survivors for Northern Ireland's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Commission for Victims and Survivors for Northern Ireland's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Commission for Victims and Survivors for Northern Ireland is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Commission and Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate and report. The Commission and the Accounting Officer are responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with The Executive Office directions made under the Victims and Survivors

(Northern Ireland) Order 2006 as amended by the Commission for Victims and Survivors Act (Northern Ireland) 2008; and

- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Commission for Victims and Survivors for Northern Ireland and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Commission and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Commission for Victims and Survivors for Northern Ireland and the Accounting Officer are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the Commission for Victims and Survivors for Northern Ireland's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Commission for Victims and Survivors for Northern Ireland will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Victims and Survivors (Northern Ireland) Order 2006 as amended by the Commission for Victims and Survivors Act (Northern Ireland) 2008.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that

an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Commission for Victims and Survivors for Northern Ireland through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Victims and Survivors (Northern Ireland) Order 2006 as amended by the Commission for Victims and Survivors Act (Northern Ireland) 2008;
- making enquires of management and those charged with governance on the Commission for Victims and Survivors for Northern Ireland's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Commission for Victims and Survivors for Northern Ireland's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following area: management override of controls;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;

- assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
- investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

K J Donnelly

Comptroller and Auditor General

Northern Ireland Audit Office

1 Bradford Court

Galwally

BELFAST

BT8 6RB

24 November 2021