

**Minutes of Audit & Risk Assurance Committee Meeting No. 56  
Held on Tuesday 9 May 2023 at 09.30am**

**Present:**

Séamus Magee, Commissioner (Chair)  
Gerard McCurdy, Interim Chief Commissioner  
Caron Alexander, Independent member  
Andrea Quail, co-opted member

**In Attendance:**

Frances McCandless, Chief Executive  
Aubrey McCrory, Head of Corporate Services  
Nicola Fisher, Finance & Admin Manager  
Ciara McCann, Admin Officer (Minutes)  
Curtis Fleming, Northern Ireland Audit Office  
Gary Curran, DfC Internal Audit  
Peter Murchan, DfC Internal Audit  
Valarie McCloskey, DfC Voluntary and Community Division (observer)  
Gerard O'Reilly, DfC Voluntary and Community Division (observer)

**Apologies:** Alan Hunter, Commissioner

The meeting commenced at 10.30am.

**1. Minutes of Meeting No 55**

The minutes of the Audit & Risk Assurance (A&RA) Committee meeting number 55 held on 7 March 2023 were agreed as a true and accurate record, as proposed by Gerard McCurdy and seconded by Caron Alexander.

**AP1: Minutes of meeting No 55 to be recommended to Board for publication.**

**2. Conflicts of Interest**

The Chair reminded Commissioners to raise any conflicts of interest. None recorded.

### **3. Chair's Comments**

The Chair welcomed everyone to the meeting. Valerie McCloskey confirmed recruitment of a Chief Commissioner and a Commissioner is on track. It was noted that the scheme of delegation consultation has been extended into June.

### **4. Draft Accounts 2022/23**

The Chair welcomed Nicola Fisher to the meeting and commended staff for the turnaround on the draft 2022-23 accounts. Details of the basis of the accounts preparation and an overview of financial position and cash flows was provided. Committee members noted the breakdown of expenditure and supporting notes. Prior year comparison were highlighted, in particular the legal provisions and decrease in cash equivalents at year end.

The Committee thanked all staff for their work on the draft accounts which were agreed for recommendation to the Board, as proposed by Caron Alexander and seconded by Gerard McCurdy.

**AP2: Draft accounts to be recommended to Board for approval.**

### **5. Draft Governance Statement**

The CEx introduced the paper and answered queries from the Committee. It was agreed, subject to minor amendment, to recommend the draft governance statement to the Board as proposed by Gerard McCurdy and seconded by Séamus Magee.

**AP3: Draft governance statement to be recommended to Board for approval.**

### **6. Review of the Risk Management Policy and Assurance framework**

The Head of Corporate Services introduced the paper and the Committee discussed a number of areas, noting no changes were proposed to the overall approach. The assurance framework risk appetites set out in relation to the draft 2023-24 business plan were agreed for recommendation to the Board, as proposed by Caron Alexander, and seconded by Gerard McCurdy. It was noted in the financial circumstances this year the hungry appetite may need to be adopted more frequently.

**AP4: Risk Management Assurance Framework to be recommended to the Board for approval.**

**AP5: Sponsor department to consider a request to share the departmental risk register with the Commission.**

**7. Draft 2023/24 Corporate Risk Register & Action Plan**

The Head of Corporate Services introduced the draft register which reflected initial risks related to the draft 2023-24 business plan. Amendments to draft wording were highlighted and it was noted it may not be possible to reduce certain costs within the year. The committee decided further work to finalise risk wording and ratings would be agreed by correspondence for recommendation to the Board in June as proposed by and Séamus Magee and seconded by Andrea Quail.

**AP6: Further work to finalise risk wording and ratings to be progressed and agreed by correspondence before draft risk register is recommended to June Board for approval.**

**8. Internal Audit Plan 2023/24**

Gary Curran introduced the paper which set out the Commission's audit needs for the next three years and audit plan for the next year. He confirmed a consultancy assignment was included in Appendix B. The Committee noted the Commission was required to use departmental internal audit services under the current Management Statement & Financial Memorandum. Following discussion, it was agreed to recommend the audit plan to the Board as proposed by and Caron Alexander and seconded by Andrea Quail.

**AP7: Internal Audit Plan 2023/24 to be recommended to Board for approval.**

**9. A&RA Committee Annual Report**

The Chair introduced the report which was noted.

**10. A&RA Committee schedule**

The Committee noted the programme and regular agenda items.

**11. Internal Audit 2nd Assignment Report 2022/23**

Peter Murchan introduced the report noting an overall satisfactory opinion. The Committee noted two priority three recommendations to be taken forward.

**12. Internal Audit Year-End Report 2022/23**

Gary Curran introduced the report and noted the overall satisfactory assurance over the course of the year. The Committee noted in total two priority two and two priority three recommendations arose during the year.

**13. a) Annual expenditure Report 2022/23**

The Head of Corporate Services introduced the paper and explained the year end position as regards revenue and capital underspend against business plan targets.

**b) Draft Budget 2023/24**

The Head of Corporate Services introduced the initial indicative budget notified at the end of March which reflected a ten percent reduction in resources. Committee noted that an update meeting would be held that afternoon with sponsor department but there would be extreme risks managing a reduced budget in the coming year.

**14. Report on SMT and Board Expenses**

The Committee noted the report.

**15. Report on external assurance Exercise.**

The Committee welcomed the additional external assurances on Casework and Enquiries.

**16. Review Conditions attached to Business case approvals**

The Committee reviewed the update. The volume of Post Project Evaluations to be done was recognised and the Committee noted where amounts are small proportionality is important.

**17. Audit recommendations implementation report**

The Committee noted the two recommendations added from the second assignment and were content with the timescales outlined.

**18. DAO and FD letters summary**

The update was noted and it was confirmed all letters were reflected in drafting of the 2022-23 annual accounts.

**19. Fraud and Concerns about Commission report**

Nothing to report.

**20. AOB**

The Committee agreed the next meeting on 12 September 2023 would be online.

**21. Issues for next meeting 12 Sept 2023**

- NIAO Report to those charged with Governance.
- Committee Self-Assessment
- Meeting of members and Auditors without staff present.
- Review of Finance procedures.
- DoF Annual Fraud Report.
- Cyber security update.

Meeting ended at 12.00pm.

## Audit & Risk Committee

### Register of Outstanding Action Points

<b>Committee Meeting and Action Point Number</b>	<b>Date Raised</b>	<b>Agenda Item</b>	<b>Action</b>	<b>Owners</b>	<b>Status</b>
56 (1)	09/5/2023	1	Minutes of meeting No 55 to be recommended to Board for publication.	HCorps	Complete
56 (2)	09/5/2023	4	Draft accounts to be recommended to Board for approval.	HCorps	Complete
56 (3)	09/5/2023	5	Draft governance statement to be recommended to Board for approval.	CEx	Complete
56 (4)	09/5/2023	6	Risk Management Assurance Framework to be recommended to the Board for approval.	HCorps	Complete
56 (5)	09/5/2023	6	Sponsor department to consider a request to share the departmental risk register with the Commission.	Valerie McCloskey	Underway
56 (6)	09/5/2023	7	Further work to finalise risk wording and ratings to be	HCorps	Complete

			progressed and agreed by correspondence before draft risk register is recommended to June Board for approval.		
56 (7)	09/5/2023	8	Internal Audit Plan 2023/24 to be recommended to Board for approval.	HCorps	Complete
54 (6)	24/11/22	7	Commission to write to all MOU partners updating them on current arrangements and future developments.	HCS	Underway
49 (6)	11/05/21	10	Internal Audit to share network security assurances with the Commission.	Internal Audit	Complete