

**Minutes of Audit & Risk Assurance Committee Meeting No. 38
held on Monday 10 December 2018 at 10am in the Charity
Commission for Northern Ireland office, Lurgan**

Present:

Norman Bennett, Chair
Séamus Magee, Commissioner
Kieran Donaghy (Independent Member)

In Attendance:

Frances McCandless, Chief Executive
Aubrey McCrory, Head of Corporate Services
Tracey McCavigan, DfC Internal Audit
Eamonn O'Reilly, DfC Internal Audit
Laura McCullough, NI Audit Office
David McGurk, Finance & Admin Officer

Apologies: Peter O'Sullivan, NI Audit Office, Joanna McConway, DfC VCD
Martin Ireland, DfC VCD

The meeting commenced at 10am and after introductions the Chair welcomed all to the meeting.

1. Minutes of Meeting

The minutes of the Audit & Risk Assurance (A&RA) Committee meeting held on 4 September 2018, were agreed as a true and accurate record. Proposed by Kieran Donaghy and seconded by Séamus Magee.

AP1: Minutes of the meeting to be recommended to Board for approval

2. Conflicts of Interest

The Chair reminded everyone of the need to declare any conflicts of interest prior to the meeting commencing. No declarations were made in relation to this meeting.

3. Chair's Comments

No comments were noted.

4. Corporate Risk Register & Action Plan

The Head of Corporate Services introduced the Risk Register and highlighted weaknesses related to the upgrade to the Commission's website which SMT regarded as 'near misses' and detailed an apology from the contractor and lessons learned. The Committee noted in relation to Risk 7 that the Board was still awaiting appointment of two Commissioners, and two meetings to discuss re-location had been postponed by the Department. The Chief Executive provided clarification on the information sharing arrangements with HMRC. The proposed Risk Register was agreed, subject to minor amendment, as proposed by Norman Bennett and seconded by Séamus Magee.

AP2: CEX to write to Sponsor Dept. regarding re-location and appointment of Commissioners.

5. NIAO Audit Strategy

Laura McCullough introduced the proposed strategy for 2018/19 and noted it included a risk factor in terms of the impact switching resources to deal with litigation had on other areas of work. Following discussion, it was agreed to recommend the audit strategy, subject to minor amendment, to the Board as proposed by Norman Bennett and seconded by Kieran Donaghy.

AP3: HoCS to confirm 2018/19 timetable with NIAO.

6. Review of Financial Procedures

The Head of Corporate Services introduced the outcome of the review, noting this work was part of a schedule of governance policies for review linked to the Committee's Terms of Reference. Details of the changes proposed were noted and following discussion the revised procedures were agreed for recommendation to the Board as proposed by Séamus Magee and seconded by Kieran Donaghy.

AP4: Revised finance procedures to be recommended to Board

7. Review of the Business Continuity Plan

The Head of Corporate Services introduced the review noting this was also part of the schedule of governance policies for review. Details of the outcome of a test exercise and minor changes proposed were highlighted. Following discussion the changes to the plan were agreed

for recommendation to the Board as proposed by Séamus Magee and seconded by Kieran Donaghy.

AP5: Revisions to Business Continuity Plan to be recommended to Board

8. Internal Audit 1st Assignment Draft Report

Eamonn O'Reilly introduced the report and confirmed the areas tested included Charity Registration, Compliance Monitoring, Business Continuity and Information Security (including GDPR). Overall controls in these areas were adequate and operating effectively and Internal Audit gave an overall satisfactory audit opinion. The Committee discussed a series of findings and recommendations and the Chief Executive provided a series of management responses. Internal Audit undertook to finalise the report for consideration at the next committee meeting.

AP 6: Further management information to be provided to Internal Audit.

9. Budget

The Head of Corporate Services introduced the update based on spend to end of November. A briefing was provided on capital spend to year end and potential for a gap in confirmation of capital in Quarter 1 - 2019/20 due to Sponsor Department's funding processes. The Committee asked if additional information could be provided on programme spend in the previous year for comparison.

AP 7: Consider if additional comparative information can be provided.

10. Summary of Committee Self-Assessment Exercise

The Committee reviewed the report detailing results of its self-assessment in November and agreed to take forward the idea of external input to give a view on risks within the Charity Sector.

AP8: CEX to arrange external input for the next September meeting 2019.

12. Audit recommendations implementation report

The Head of Corporate Services updated the Committee on progress regarding completed and outstanding recommendations. It was noted Internal Audit, as part of 2nd assignment this year, would be reviewing previous recommendations.

12. Review conditions attached to Business case approvals

Noted.

13. DAO & FD letters summary

Noted.

14. Assurance Check of MOUs/SLAs

The Head of Corporate Services introduced the report noting a range of Memoranda of Understanding (MOU) and Service Level Agreements (SLA) were in place with various stakeholder organisations covering a range of work. The Committee agreed with the proposal to use existing Sage Accountancy software to monitor MOU/SLAs and the proposed assurance check as outlined in the report.

15. Fraud and Whistleblowing report

The Head of Corporate Services advised a suspected external fraud had been closed for lack of evidence.

16. AOB

The CEx updated the Committee on the successful outcome from the UK review of Financial Action Task Force and the Committee noted the improved rating including Charity Regulation.

18. Issues for next meeting

3 Year Internal Audit Strategy, 1st Audit Assignment, Fraud & Bribery assessment, Risk and the Assurance Framework, ICT Strategy Briefing

Next meeting scheduled for 19 February 2019.

Meeting ended at 11.15am

Audit & Risk Committee

Register of Outstanding Action Points

Committee Meeting and Action Point Number	Date Raised	Agenda Item	Action	Owners	Status
38 (1)	10/12/18	1	Minutes of the meeting to be recommended to Board for approval	HoCS	Underway
38 (2)	10/12/18	4	CEX to write to Sponsor Dept. regarding re-location and appointment of Commissioners.	CEX	Complete
38 (3)	10/12/18	5	Confirm 2018/19 timetable with NIAO.	HoCS	Underway
38 (4)	10/12/18	6	Revised finance procedures to be recommended to Board	HoCS	Underway
38 (5)	10/12/18	7	Revisions to Business Continuity Plan to be recommended to Board	HoCS	Underway
38 (6)	10/12/18	8	Further information to be provided to Internal Audit.	CCNI	Underway
38 (7)	10/12/18	9	Consider if additional programme spend comparative information can be provided.	HoCS	Underway
38 (8)	10/12/18	10	CEX to arrange external input for the next September meeting 2019.	CEX	Underway

30 (3)	15/11/16	7	A&RA involvement in Section 22 decisions to be part of wider Board discussion.	HCorpS	Underway
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