The Charity Commission for Northern Ireland

Minutes of Audit & Risk Assurance Committee Meeting No. 23 held on Tuesday 10 February 2015 at 10.00 in the Charity Commission for Northern Ireland office in Lurgan

Present:

Philip McDonagh, Chair
Norman Bennett, Commissioner
Brenda Maitland, Commissioner
Kieran Donaghy (Independent Member)

In Attendance:
Frances McCandless, Chief Executive
Aubrey McCrory, Head of Corporate Services
Martin Devine, DSD URCDG
Lacey Walker, DSD Internal Audit
Rossa Keown, NIAO
Kathryn Jennett, Charity Commission

Apologies
Brian O'Neill, NIAO
Brian Robinson, DSD URCDG

At the outset the Chair welcomed Kieran Donaghy to his first meeting of the A&R Assurance committee.

1. **Minutes of Meeting**
   The minutes of the Audit & Risk Assurance (A&RA) Committee meeting held on 18 November 2014 were proposed by Brenda Maitland and seconded by Norman Bennett and agreed as a true and accurate record.

   AP 1: Minutes of the meeting to be recommended to the Board

2. **Conflicts of Interest**
   The Chair reminded members 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**

The Chair provided an update on Commission progress on registrations and investigations. Currently 944 charities are registered and 5 statutory enquiries are ongoing with one enquiry consuming significant resourcing at this time. The Chair also advised that a strategic planning day had taken place on 9 February 2015, with the Board and staff present.

4.   Finance Procedures amendments

The Head of Corporate Services introduced the paper to the Committee, noting the amendments made to individual roles and some more significant changes around procedures for receiving invoices and use of the credit card. Subject to minor amendment the procedure was agreed for board approval following proposal by Kieran Donaghy and seconded by Norman Bennett.

AP2: Draft Finance Procedures to be amended for Board approval.

5.   Risk Management
5a   Review of Risk Policy

The Head of Corporate Services noted the need for the Committee to review the policy annually and highlighted a number of proposed changes arising from internal audit recommendation and others to reflect changes in terminology and organisational structure. During discussion further additions were identified to reflect the bottom up and top down risk assurance processes in place. Subject to amendment the policy was agreed for board following proposal by Philip McDonagh and seconded by Brenda Maitland.

AP3: Risk Policy to be amended and submitted for Board approval

5b.   Bribery Risk Assessment

The Head of Corporate Services introduced the Bribery Risk Assessment and outlined a series of amendments arising from discussion at a staff forum. These reflected additional considerations arising from commencement of new powers. Following discussion the assessment was agreed for board approval as proposed by Kieran Donaghy and seconded by Brenda Maitland.

AP4: Bribery Risk Assessment to be submitted for Board approval

5c.   Risk Appetite 2015/16

The Head of Corporate Services briefed the Committee on the appetite levels set out in the risk policy and their initial application to the draft 2015/16 Business plan objectives. Further details of the application of the appetite levels to the assurance framework were highlighted along with details of the framework which included the annual assurance check of the Hospitality policy itself, alongside monthly and quarterly checks covering its implementation. The Committee noted the tolerances and agreed to review these midyear following proposal by Philip McDonagh and seconded by Norman Bennett.

AP5: Risk appetite to be recommended to the Board for approval

6.   Internal Audit

6a   Internal Audit report on 1st Assignment

Lacey Walker, DSD Internal Audit, outlined details of recent field work as part of the first audit assignment. Internal audit were content with first assignment and had an overall satisfactory rating for the organisation. Risk Management was operating well and in line with Departmental procedures. Investigations were also working well with detailed procedures. Following discussion the A&RA Committee requested that an additional internal assurance be completed by CCNI in relation to the file management of Investigations..

AP6: Additional assurance checks on investigations to be introduced.

6b.   Terms of Reference & verbal update on 2nd Assignment

Lacey Walker, DSD Internal Audit, advised that field work was completed on Friday 6 February 2015 and a report following this work will be complied and presented in May 2015. At this time there were no matters of concern. Following discussion Internal Audit agreed to check the review of IT areas covered the effectiveness of IT delivery arrangements.

AP7: Internal Audit to check what IT areas were looked at during field work.

6c.   Internal Audit plan 2015/16

Lacey Walker, DSD Internal Audit, introduced the plan for 2015/16 and updates that have taken place from the previous plan. This plan will look more closely at registration and information services & migration, and will also look at security risk management. Following discussion of

plans to commence the first assignment in early September with reporting to the November 2015 A&RA Committee, the committee were content with the audit plan going forward.

7.   NIAO Audit Strategy
Rossa Keown, NIAO, introduced the strategy to the Committee and highlighted that risk factors had been lowered from 3 to 1. It was agreed that the draft report would be sent to A&R Committee once received on 15 May 2015 and the Committee would meet prior to Board meeting on 18 May 2015, and consider the NIAO draft report to those charged with governance.

8.   Review of A&RA Terms of Reference
The Chair advised the Committee that he would be standing down at the end of June 2015, and the Chief Commissioner is looking at the structure of the committees. Following discussion it was agreed to add monitoring the budget to section 3, and when and where policies are brought into use. The Terms of Reference were agreed subject to minor amendment as proposed by Kieran Donaghy and seconded by Brenda Maitland.

AP8: Terms of Reference to be amended and submitted for Board approval

9.   Corporate Risk Register
The Head of Corporate Services introduced the revised draft register. Various changes were noted in relation to the rating of risk regarding information systems development and budget setting for 2015/16. Due to the lack of confirmation of budget parameters from the Department it was difficult to finalise the strategic plan to enable the register to be finalised.

9b.   Output from Risk register Task & Finish group
The Head of Corporate Services outlined progress following the Task & Finish group meeting and some further amendments were identified before the register went to Board for approval. It was noted the March Board meeting would cover the organisational risk agenda in detail.

AP9: Task & finish group to meet and finalise before draft being submitted to Board for adoption.

10. **Audit recommendations implementation report**
    The Head of Corporate Services updated the Committee on completed recommendations in the report, advising that a Trade Union agreement was nearing completion and this in turn would enable progress on a number of outstanding recommendations.

11. **Review of Conditions attached to business case approvals**
    Noted. Continuing delays by the Department making accounting regulations were discussed.

12. **Quarterly Assurance Statement**
    Noted. It was agreed to record in the statement that the Commission recognised business plan targets would not be met.

13. **Review of schedule of meeting**
    Noted

14. **DAO Letters summary**
    Noted

15. **Budget Review**
    Noted

16. **AOB**
    The Chief Executive advised that the February Budget would include a small unusual payment for which approvals were in place.

17. **Issues for next meeting 10 Feb 2015**

    The meeting ended at 12:10

Audit & Risk Committee

Register of Outstanding Action Points

Committee Meeting and Action Point Number	Date Raised	Agenda Item	Action	Owners	Status
22 (1)	18/11/2014	Minutes of Meeting 9 September 2014	Minutes of the meeting to be recommended to the Board	HCorpS	Complete
22 (3)	18/11/2014	Finance Procedures amendments	Draft Finance Procedure to be amended for Board consideration.	HCorpS	Complete
22 (4)	18/11/2014	Internal Audit update on progress	IA to provide report on first audit assignment for committee consideration	Eamonn O'Reilly	Complete
22 (5)	18/11/2014	NIAO Audit Strategy	NIAO to provide full audit strategy for committee consideration.	Tomas Wilkinson	Complete
22 (6)	18/11/2014	A&R Self Assessment summary	Task & Finish group to be established to consider Corporate Risk Register.	Chair	Complete
22 (9)	18/11/2014	Budget Review	Budget Review to include section on pressures and easements	HCorpS	Complete

23 (1)	10/02/15	Minutes of Meeting	Minutes of the meeting to be recommended to the Board	HCorpS	Complete
23 (2)	10/02/15	Finance Procedures amendments	Draft Finance Procedures to be amended for Board approval.	HCorpS	Complete
23 (3)	10/02/2015	Review of Risk Policy	Risk Policy to be amended and submitted for Board approval	HCorpS	Complete
23 (4)	10/02/2015	Bribery Risk Assessment	Bribery Risk Assessment to be submitted for Board approval	HCorpS	Complete
23 (5)	10/02/2015	Risk Appetite 2015/16	Risk appetite to be recommended to the Board for approval	HCorpS	Complete
23 (6)	10/02/2015	Internal Audit report on 1st Assignment	Additional assurance checks on investigations to be introduced.	HCE	Underway
23 (7)	10/2/15	Terms of Reference & verbal update on 2nd Assignment	Internal Audit to check what IT areas were looked at during field work.	Lacey Walker	Complete
23 (8)	10/02/15	Review of A&R Terms of Reference	Terms of Reference to be amended and submitted for Board approval	HCorpS	Complete
23 (9)	10/02/15	Output from Risk register Task & Finish group	Task & finish group to meet and finalise before draft being submitted to Board for adoption	HCorpS	Complete