

**Minutes of Audit & Risk Assurance Committee Meeting No. 36
held on Tuesday 8 May 2018 at 10am in the Charity Commission for
Northern Ireland office, Lurgan**

Present:

Norman Bennett, Chair
Séamus Magee, Commissioner

In Attendance:

Frances McCandless, Chief Executive
Aubrey McCrory, Head of Corporate Services
Peter Toner, DfC VCD
Tracey McCavigan, DfC Internal Audit
Eamonn O'Reilly, DfC Internal Audit
Peter Mallon, NI Audit Office
Margaret Craig, Board Apprentice
Kathleen McLaughlin, Finance & Admin Manager
Anne Killen, Finance & Admin Officer

Apologies: Kieran Donaghy (Independent Member)

The meeting commenced at 10am and the Chair welcomed Margaret Craig, Board Apprentice and Kathleen McLoughlin, CCNI's Finance & Admin Manager.

1. Minutes of Meeting

The minutes of the Audit & Risk Assurance (A&RA) Committee meeting held on 20 February 2018, were agreed as a true and accurate record. Proposed by Norman Bennett 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

The Chair reported on the recent meeting of Audit Committee chairs convened by sponsor department which he and Séamus Magee attended. Agenda items included presentations on GDPR and Brexit, and it was very useful to hear views from other NDPB committees. Papers have been circulated to members for information.

4. Draft 17/18 Accounts

The Chair introduced the draft 2017-18 accounts and highlighted there were no significant changes to this year's layout and format. Kathleen McLoughlin, Finance & Admin Manager, provided an overview and addressed queries including updating on timescale for receipt of pension information and steps to finalise the remuneration report for inclusion in the final draft to the Board. Peter Mallon outlined progress with NIAO fieldwork and discussions with officers regarding treatment of capital spend, but had no issues to bring to the attention of the committee at this time.

The Committee thanked the Finance & Admin Manager and staff for the timely preparation of the draft accounts which were recommended to the Board as proposed by Séamus Magee and seconded by Norman Bennett.

AP2: Draft 17/18 Accounts to be recommended to Board for approval

5. A&RA Annual Report to the Board

The Chair presented the committee's Annual Report which summarised its activities during 2017-18 and set out conclusions on progress against key aspects of its terms of reference (ToR). Following discussion, and subject to the minor amendment to the membership details in the ToR, the committee approved the report and agreed to recommend it to the Board as proposed by Norman Bennett and seconded by Séamus Magee.

AP3: Annual Report to be recommended to Board, subject to minor amendment

6. Draft Governance Statement

The Chair introduced the Governance Statement which sets out a series of disclosures about the Commission's governance, risk and controls structure. Following discussion, the committee agreed to recommend the statement to the Board as proposed by Séamus Magee and seconded by Norman Bennett.

AP4: Governance Statement to be recommended to Board

7. Governance Policies – Review of Whistleblowing

The Head of Corporate Services introduced the paper and the committee noted that the review identified no changes at this time. The paper was recommended to the Board as proposed by Norman Bennett and seconded by Séamus Magee.

AP5: Review of Whistleblowing Policy to be recommended to Board

8a. Internal Audit 2nd Assignment Report 17-18

Eamonn O'Reilly introduced the report highlighting that the overall opinion was satisfactory with no Priority 1 recommendations. The Committee noted the Priority 2 and 3 recommendations relating to Monitoring & Compliance, Enquiries and HR Issues which have been accepted by management. Following discussion the committee agreed to recommend the report to the Board as proposed by Séamus Magee and seconded by Norman Bennett.

AP6: Internal Audit 2nd Assignment Report 17-18 to be recommended to Board

8b. Internal Audit 17-18 Year End Report

The report was discussed and the Committee noted that, following the 2 assignments during the year, the overall opinion was satisfactory. The Committee was advised that the 2018-19 plan has been agreed noting this would be the final year of the three year strategy. Following discussion the report was accepted for recommendation to the Board as proposed by Norman Bennett and seconded by Séamus Magee.

AP7: Internal Audit 17-18 Year End Report to be recommended to Board

8c. Internal Audit 2nd Assignment Customer Satisfaction Questionnaire

The Committee agreed that the CEx would complete the Customer Survey Questionnaire on behalf of the Commission.

AP8: Internal Audit 2nd Assignment Customer Satisfaction Questionnaire to be completed by CEx

9. Corporate Risk Register & Action Plan

The Head of Corporate Services introduced the register and outlined progress since the Board last adopted the register. Following discussion, it was agreed to amend the Strategic Context section and include a cyber security aspect in the register. Members agreed to recommend the Register to the Board as proposed by Séamus Magee and seconded by Norman Bennett.

AP9: Strategic Context to be amended and cyber security to be added to Risk Register

AP10: Risk Register to be recommended to Board

10. Cyber Security Briefing

The Chair welcomed John O’Neill, Director of Information Services & Property Management Division, DfC, who gave a general overview of the current cyber security environment and the NICS strategy. Key organisational responses were outlined and the role of A&RA committee members was underlined. Following discussion, it was agreed to include cyber security on the next agenda with a report on assurances from suppliers and details of other assessments. It was also agreed to use Internal Audit staff for assurance and to circulate the NAO Cyber Security Guide Checklist again.

AP11: Report on supplier assurances and details of assessments relating to cyber security for next meeting

AP12: Circulate the NAO Cyber Security Guide Checklist

11. A&RA Annual Agenda Schedule

The Chief Executive presented the paper highlighting that the yearly Assurance check of MOUs/SLAs would be reviewed at the November 18 meeting.

12. Annual Expenditure Report – Year End 17-18

The Head of Corporate Services introduced the report which was discussed in detail. Members noted the 99% of budget was spent at year end, and the figure was subject to audit and finalisation.

13. Audit recommendations implementation report

The Head of Corporate Services updated the Committee on progress of the recommendations and members noted the work completed to date.

14. Review of conditions attached to business case approvals

Noted.

15. DAO letters summary

The Committee noted the recent DAO updates and FD letters and the requirement for all Accounting Officers to confirm their fitness to act as Accounting Officers. Tracy McCavigan agreed to forward a copy of the new Internal Audit Handbook which would be circulate to the Committee.

AP13: Copy of new Internal Audit Handbook to be circulated to Committee

16. Fraud and Whistleblowing report

The Head of Corporate Services advised a suspected minor external fraud on the Commission had been reported to sponsor team and NIAO.

17. AOB

It was noted that the SLA with Internal Audit has expired and will be discussed at the next meeting.

18. Issues for next meeting

Next meeting scheduled for 4 September 2018.

Meeting ended at 12.00pm

Audit & Risk Committee

Register of Outstanding Action Points

Committee Meeting and Action Point Number	Date Raised	Agenda Item	Action	Owners	Status
36 (1)	08/05/18	1	Minutes of the meeting to be recommended to Board for approval.	HCorpS	Complete
36 (2)	08/05/18	4	Draft 17/18 Accounts to be recommended to Board for approval	HCorpS	Complete
36 (3)	08/05/18	5	Annual Report to be recommended to Board, subject to minor amendment	HCorpS	Complete
36 (4)	08/05/18	6	Governance Statement to be recommended to Board	HCorpS	Complete
36 (5)	08/05/18	7	Review of Whistleblowing Policy to be recommended to Board	HCorpS	Complete
36 (6)	08/05/18	8a	Internal Audit 2nd Assignment Report 17-18 to be recommended to Board	HCorpS	Complete
36 (7)	08/05/18	8b	Internal Audit 17-18 Year End Report to be recommended to Board	HCorpS	Complete
36 (8)	08/05/18	8c	Internal Audit 2nd Assignment Customer Satisfaction Questionnaire to be completed by CEx	CEx	Complete

36 (9)	08/05/18	9	Strategic Context to be amended and cyber security to be added to Risk Register	HCorpS	Complete
36 (10)	08/05/18	10	Risk Register to be recommended to Board	HCorpS	Complete
36 (11)	08/05/18	11	Report on supplier assurances and details of assessments relating to cyber security for next meeting	IT Manager	Underway
36 (12)	08/05/18	12	Circulate the NAO Cyber Security Guide Checklist	HCorpS	Complete
36 (12)	08/05/18	13	Copy of new Internal Audit Handbook to be circulated to Committee	HCorpS	
36 (13)	08/05/18	15	Copy of new Internal Audit Handbook to be circulated to Committee	HCorpS	Complete
35 (3)	20/02/18	5	Copy of risk assessment to be circulated to Board members to complete page 11	HCorpS	Underway
35 (4)	20/02/18	5	Peter Mallon to seek clarification from NIAO on completion of risk assessment	NIAO	Underway
30 (3)	15/11/16	7	A&RA involvement in Section 22 decisions to be part of wider Board discussion.	HCorpS	Underway
29 (8)	29/9/16	12	New assurance check on complying with Code of Good Governance (2013) to be developed.	HCorpS	Underway