

**Minutes of Audit & Risk Assurance Committee Meeting No. 43
Held on Tuesday 3 March 2020 at 2.00pm in Clare House, Belfast**

Present:

Séamus Magee, Commissioner (Chair)
Gerard McCurdy, Deputy Chief Commissioner
Carmel Mullan, Commissioner
Caron Alexander, Independent Member

In Attendance:

Frances McCandless, Chief Executive
Aubrey McCrory, Head of Corporate Services
Rossa Keown, NI Audit Office
Conor Hill, NI Audit Office
Eamonn O'Reilly, Department for Communities (DfC) Internal Audit
Clare McElherron, Finance & Admin Officer (Minutes)

Apologies:

Tracey McCavigan, DfC Internal Audit; Joanna McConway, DfC Voluntary & Community Division (VCD); Martin Ireland, DfC VCD; Colleen Bell, DfC VCD; Lacey Walker, DSD Internal Audit

The meeting commenced at 2.00pm

1. Minutes of Meeting No 42

The minutes of the Audit & Risk Assurance (A&RA) Committee meeting number 42 held on 19 November 2019 were agreed as a true and accurate record as proposed by Gerard McCurdy and seconded by Séamus Magee.

AP1: Minutes of meeting No 42 to be recommended to Board for approval.

2. Conflicts of Interest

No declarations were made in relation to this meeting.

3. Chair's Comments

The Chair welcomed Caron Alexander, Independent member, to the committee and noted her experience in managing strategic information

technology projects and assurance. He also welcomed new member Carmel Mullan.

4. Risk Register

The Head of Corporate Services introduced the draft register noting it had been reviewed by Senior Management Team following the Court of Appeal judgement. The Committee discussed Risk 3: Public Trust and Confidence, and identified a range of new pressures regarding litigation in train. It was agreed this would be discussed at the extraordinary Board meeting on 10 March 2020. The CEx outlined ongoing discussions with sponsor Department and responded to a number of queries regarding the judgement from audit. After further developments in the office relocation project and staff churn were outlined the committee agreed not to change the current risk levels. The draft register was agreed for recommendation to the Board, as proposed by Carmel Mullan and seconded by Gerard McCurdy.

AP2: Draft Risk Register to be recommended to Board.

5. Review of Risk Policy

The Head of Corporate Services introduced the review, noting this work was part of a schedule of governance policies for review linked to the Committee's Terms of Reference. Following discussion it was agreed no further changes are made to the risk policy at this time as proposed by Gerard McCurdy and seconded by Carmel Mullan.

The Committee gave initial consideration to corporate risks for 2020/21, and five areas were identified to inform a draft to be finalised by staff for consideration at the March Board meeting. The Committee also reviewed the risk appetites and assurance framework for 2020/21 and these were agreed as proposed by Gerard McCurdy and seconded by Carmel Mullan.

AP3: Draft corporate risks to be finalised by staff for consideration at the March Board meeting.

6. Assurance Mapping

The Head of Corporate Services introduced the paper on approaches to how assurance can best support Accounting Officers and Boards in arm's length bodies (ALBs). Following discussion, it was agreed to update the sources of assurance mapping to include key elements based on four levels of defence and rating. A process overview diagram will be produced and A&RA committee will use the assurance map in conjunction with the corporate risk register at each meeting,

and changes in risks ratings over the year will be assessed. These documents will be reviewed again by the committee before the new approach is recommended to the Board, as proposed by Gerard McCurdy and seconded by Carmel Mullan.

AP4: Assurance map to be revised and overview diagram produced for consideration at the next committee meeting.

7. Terms of Reference Review

The Chair noted various previous changes had been made at a recent Board meeting. Following discussion the terms of reference were agreed for recommendation to the Board, subject to minor amendment, as proposed by Gerard McCurdy and seconded by Caron Alexander.

AP5: Terms of reference to be amended and recommended to the Board

8. Designating a Commissioner for Whistleblowing

The Chair thanked the CEx for her paper in response to the January Board asking the committee to look into the emerging practice in some sectors of allocating a Board member responsibility for Whistleblowing. Following consideration of current arrangements the committee agreed not to change the current Whistleblowing policy until the next full review and to learn from any issues as lessons learnt in the meantime, as proposed by Caron Alexander and seconded by Gerard McCurdy.

9. NIAO Audit Strategy

Connor Hill introduced the proposed NIAO strategy and highlighted key aspects including materiality threshold, risk factors, timetable and notional fee. Committee members were content with the approach.

10. Cyber Security Update

The Committee noted details of the update including assurance from suppliers and consideration of relevance of cyber issues. A series of queries in relation to key lessons were discussed and the committee concluded while there is a risk it was able to take assurance from the central compliance reviews undertaken on shared services which the Commission uses.

11. Internal Audit 1st Assignment Update

Eamonn O'Reilly introduced the report and noted a satisfactory assurance with no recommendations on the five areas tested as part of

the first audit assignment in November 2019. He outlined work currently underway on the second assignment and that there were no issues of note at this time. The final report will be presented at the May committee meeting. The Chair noted plans to meet with Internal Audit to discuss areas for examination in 2020/21.

12. Assurance Checks

Update noted.

13. NIAO Update on 9 Month Accounts

NIAO noted fieldwork had been completed and there were no issues to report.

14. Review of Conditions attached to Business Cases

Update Noted.

15. Audit Recommendations Implementation Report

Update Noted.

16. DAO & FD letters summary

Summary of letters noted. The committee welcomed sponsor Department providing authority for the CEx to sign off Direct Awards up to £30k threshold and subject to administrative aspects such as input from Central Procurement Division.

17. Budget

The Head of Corporate Services outlined the current year end position and pressures arising in relation to legal costs. Committee members noted steps would be taken to ensure all expenditure was appropriate before a bid for resources made to sponsor department. The CEx confirmed one matter of potential irregularity of £5k expenditure in a previous year in relation to the High Court judgement. NIAO confirmed it had been notified at the time and the amount was not material.

18. Fraud & Whistleblowing

Nothing to report.

19. AOB

The committee noted the department had requested the quarterly assurance statement was now agreed and submitted before quarter end.

Next meeting scheduled for 12 May 2020.

Meeting ended at 4.20pm

Audit & Risk Committee

Register of Outstanding Action Points

Committee Meeting and Action Point Number	Date Raised	Agenda Item	Action	Owners	Status
43(1)	03/03/20	1	Minor amendment to minutes of meeting 42 – To be recommended to the board	HoCS	Complete
43(2)	03/03/20	4	Draft Risk Register to be recommended to Board.	HoCS	Complete
43(3)	03/03/20	5	Draft corporate risks to be finalised by staff for consideration at the March Board meeting.	HoCS	Complete
43(4)	03/03/20	6	Assurance map to be revised and overview diagram produced for consideration at the next committee meeting.	HoCS	Underway
43(5)	03/03/20	7	Terms of reference to be amended and recommended to the Board	CEX	Complete
42(7)	20/11/19	10	Board to discuss proposal for commissioner to responsible for whistleblowing allegations.	CEX	Complete
37 (6)	04/09/18	6	Head of Corporate Services to undertake a mapping of assurances.	HCorpS	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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