

**Minutes of Audit & Risk Assurance Committee Meeting No. 53
Held on Tuesday 13 September 2022 at 9.30am via Video Conference**

Present:

Séamus Magee, Commissioner (Chair)
Alan Hunter, Commissioner
Caron Alexander, Independent Member

In Attendance:

Frances McCandless, Chief Executive
Aubrey McCrory, Head of Corporate Services
Ciara McCann, Admin Officer (Minutes)
Catherine O'Hagan, NI Audit Office
Eva Donaghy, NI Audit Office
Gary Curran, DfC Internal Audit
Peter Murchan, DfC Internal Audit
Valarie McCloskey, DfC Voluntary and Community Division (observer)
Punam McGookin, Head of Charity Services (for Item 5)

Apologies:

Gerard McCurdy, Deputy Chief Commissioner

The meeting commenced at 9.30am.

1. Minutes of Meeting No 52

The minutes of the Audit & Risk Assurance (A&RA) Committee meeting number 52 held on 10 May 2022 were agreed as a true and accurate record, as proposed by Alan Hunter and seconded by Caron Alexander. Action points were reviewed and progress was noted.

AP1: Minutes of meeting No 52 to be recommended to Board for approval.

2. Conflicts of Interest

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

3. Chair's Comments

The Chair welcomed Gary Curran and Eva Donaghy to their first meeting of the Committee. The Chair gave an update on work to co-opt a person with accountancy skills to join the Committee.

4. 6 Month Assurance Statement

The Chief Executive introduced the paper and highlighted two areas which the Committee had previously asked be reflected. Following discussion the statement was agreed for adoption by the board as proposed by Caron Alexander and seconded by Alan Hunter.

AP2: 6 Month Assurance Statement to be recommended to Board for approval.

Punam McGookin, Head of Charity Services, joined the meeting at 9.40am

5. 2022/23 Corporate Risk Register & Action Plan

The Chair noted the updates from the senior management team and that no changes to ratings were proposed. A query regarding the impact of energy cost changes on budget was addressed. The Head of Charity Services outlined operational issues and actions relating to Risk 6: business plan registration target may not be reached due to the complex nature of many of the remaining cases awaiting registration known to the Commission and the fact that many raise issues to be resolved which are not within the Commission's control. A series of queries were addressed and following discussion the register was agreed for recommendation to the board as proposed by Caron Alexander and seconded by Alan Hunter.

AP3: Corporate Risk Register to be recommended to Board for approval.

Punam McGookin, Head of Charity Services, left the meeting at 09.55am

6. Risk appetite for 2022/23 Business Plan

The Head of Corporate Services introduced the paper and presented the proposed approach and appetite ratings. The Committee noted the very clear and well considered guidance being presented and following discussion the appetite ratings and assurance checks were agreed for

recommendation to the board as proposed by Alan Hunter and seconded by Caron Alexander.

AP4: Risk appetite for 2022/23 Business Plan to be recommended to Board for approval.

7. Review of finance procedures

The Head of Corporate Services introduced the paper and highlighted changes identified following a review by the Finance & Admin team. Following several queries the changes were agreed for recommendation to the board as proposed by Caron Alexander and seconded by Alan Hunter.

AP5: Review of finance procedures to be recommended to Board for approval.

8. Review of information security policy.

The Head of Corporate Services introduced the paper and briefed the Committee on a series of changes which were agreed for recommendation to the board, as proposed by Alan Hunter and seconded by Caron Alexander.

AP6: Review of information security policy to be recommended to Board for approval.

9. Internal Audit Charter 2022-23

Gary Curran introduced the charter for 2022-23 and outlined its purpose in relation to audit working this year. The Committee noted this is the last year of the existing audit strategy and a new three year strategy will be developed. The charter was proposed for recommendation to the board by Caron Alexander and seconded by Alan Hunter.

AP7: Internal Audit Charter to be recommended to Board for approval.

10. NIAO Report to those charged with governance.

Catherine O'Hagan introduced the report and noted that it was a clean audit. Thanks were noted to staff for their support and co-operation.

AP8: RTTCWG to be tabled at next Board meeting.

11. Meeting with members and auditors without staff present.

This item was moved to the end of the agenda and staff left the meeting for this item.

Internal audit reported that staff were very co-operative throughout the year and both audit assignments were completed within the agreed timeframe. The relationship between internal audit and senior staff was described as professional and effective. This allowed for open discussion and challenge. The Chief Executive was receptive to discussing internal audit findings and recommendations and issues were dealt with in a timely manner.

The NIAO reported that staff were again very co-operative in helping the NIAO complete the annual audit of the Commission's accounts. The Finance Manager and lead auditor worked very well together and issues referred to the Head of Corporate Services were expedited without delay. It was commented that Commission staff do not see the annual audit as an adversarial process but use it as a learning exercise. It was commented that the Commission always strives to be open and transparent and there is solid understanding of the role of external audit from the Chief Executive and the senior management team.

12. Budget

The Head of Corporate Services gave an update on the resource spend which was within target and highlighted a pressure on capital related to the accommodation lease. The Committee noted plans to look at planned Information & Communication Technology (ICT) spend priorities following the recent strategic planning event. It was noted additional pressures would be raised with sponsor team.

13. Committee self-assessment

The Committee agreed this would be done following the November meeting.

14. DoF Annual Fraud Report 2019-20

Noted.

15. Cyber Security Update

The Committee noted the briefing and additional information was provided regarding system developments by Charity Commission for England & Wales. Plans for the ICT Strategy Board to meet in October were noted. It was highlighted that planned maintenance work was scheduled to take place in the second half of September on the Commission's online services.

AP9: ICT Strategy Board to meeting in October

16. Review conditions attached to business case approvals

The update was noted and a number of queries were addressed.

17. Audit recommendations implementation report

The Committee reviewed progress made and plans to progress the remaining recommendations were noted.

18. DAO and FD letters summary

Noted.

19. NIO Fraud risk guide

The Committee noted the assessment and the planned action related to staff induction.

AP10: Staff Induction presentation to be revised to include fraud risk and Commission procedures

20. Fraud and concerns about Commission report

The Head of Corporate Services confirmed there had been no internal frauds.

21. AOB

The Committee agreed the next meeting should be in person. Gary Curran highlighted a government A&RA committee member training opportunity and the Head of Corporate Services agreed to circulate.

AP11: Head of Corporate Services to circulate government A&RA committee training opportunity.

22. Issues for next meeting 24 Nov 2022

- Self-assessment exercise
- Review of Raising Concerns about Commission policy
- Assurance check of MOUs/SLAs
- Deep dive on risk no.2

Meeting ended at 11.20am.

Audit & Risk Committee

Register of Outstanding Action Points

Committee Meeting and Action Point Number	Date Raised	Agenda Item	Action	Owners	Status
53 (1)	13/09/22	1	Amended minutes of meeting No 52 to be recommended to Board for approval	HCORPS	Complete
53 (2)	13/09/22	4	6 Month Assurance Statement to be recommended to Board for approval	CEx	Complete
53 (3)	13/09/22	5	Corporate Risk Register & Action Plan to be recommended to Board for approval	HCORPS	Complete
53 (4)	13/09/22	6	Risk appetite for 2022/23 Business Plan to be recommended to Board for approval.	HCORPS	Complete
53 (5)	13/09/22	7	Review of finance procedures to be recommended to Board for approval	HCORPS	Complete
53 (6)	13/09/22	8	Review of information security policy to be recommended to Board for approval	HCORPS	Complete

53 (7)	13/09/22	9	Internal Audit Charter to be recommended to Board for approval	HCorps	Complete
53 (8)	13/09/22	10	RTTCWG to be tabled at next Board meeting.	CEx	Complete
53 (9)	13/09/22	15	ICT Strategy Board to meet	HCorps	Underway
53 (10)	13/09/22	19	Staff Induction presentation to include Fraud awareness	HCorps	Complete
53 (11)	13/09/22	21	Head of Corporate Services to circulate government training opportunity	HCorps	Complete
51 (2)	01/03/22	3	NIAO Fraud Risk Guidance and the related check list added to agenda at September's meeting.	CEx	Complete
49 (6)	11/05/21	10	Internal Audit to share network security assurances with the Commission.	Internal Audit	Underway