

**Minutes of Audit & Risk Assurance Committee Meeting No. 66
Held on Wednesday 27 August 2025 at 14.00, via Video Conference**

Present:

Hugh McKeag, Commissioner (Chair)
Alan Hunter, Commissioner
Leanne McCullough, Commissioner
Caron Alexander, Independent member

In Attendance:

Frances McCandless, Chief Executive
Aubrey McCrory, Head of Corporate Services
Ciara McCann, Finance & Admin Officer (minutes)
Curtis Fleming, Northern Ireland Audit Office
Barney Conway, Sumer Accounting NI
Michael Woods, DfC Internal Audit
Conor McCaughey, DfC Internal Audit
Karen Mills, DfC Voluntary and Community Division (observer)

Apologies: None

The meeting commenced at 14:00 hrs

1. Minutes of Meeting No 65

The minutes of the Audit & Risk Assurance Committee (ARAC) meeting number 65 held on 13 May 2025 were previously agreed by correspondence. The Head of Corporate Services gave an update on action items and it was agreed to clear meeting 59(5) further training and 54(9) updating stakeholders.

2. Conflicts of Interest

None recorded.

3. Chair's Comments

The Chair welcomed everyone to the meeting and highlighted the main agenda items for consideration and recommendation to the Board. The

Committee members agreed that item 9 would be taken at the end of the meeting.

4. 2024/25 Corporate Risk Register & Action Plan (including deep dive into risk 5)

The Chief Executive introduced the register and outlined two proposed changes. First to decrease Risk 1: Inability to deliver statutory functions and objectives, as there is now a budget confirmed in place. Following lengthy discussion ARAC noted a range of resource pressures across the organisation. In light of recent media coverage related to reduced enquiry capacity the proposed reduction was not accepted.

In relation to increasing Risk 3: Registration Threshold ARAC noted this reflected sponsor department's most recent plans for commencing the legislation. Committee members identified the key issue was managing expectations. The Chief Executive indicated at recent stakeholder engagements there was no immediate expectation of the threshold and acceptance that systems needed to be put in place. In light of this and an indication sponsor department was intending to delay commencement the proposed increase was not accepted.

The Committee had a deep dive into risk 5 and noted recent progress on the relocation project and remaining steps by sponsor department, Departmental Solicitor's Office and Land & Property Services which were outside the Commission's control. ARAC were briefed on the overall timetable and potential temporary office accommodation if this was needed. In relation to the relocation the Committee discussed risks related to changing hybrid working arrangements during this period of uncertainty.

The Committee agreed to recommend the amended register to the Board as proposed by Leanne McCullough and seconded by Caron Alexander.

AP1: Amended Corporate Risk Register to be recommended to Board for approval.

Hugh McKeag left the meeting at 14.50 and Alan Hunter took over as Chair.

5. Review of finance procedures

The Head of Corporate Services outlined the review and noted helpful feedback from Caron Alexander and Leanne McCullough which could be

incorporated. Following discussion, it was agreed to recommend to the finance procedures to the Board, subject to minor amendment, as proposed by Caron Alexander and seconded by Leanne McCullough.

AP2: Revised finance procedures policy to be recommended to Board for approval.

6. Review of Gifts and Hospitality policy

The Head of Corporate Services introduced the policy review and highlighted several changes related to Internal Audit recommendations. Following discussion, the revised Gifts and Hospitality policy was proposed for recommendation to the Board by Caron Alexander and seconded by Leanne McCullough.

AP3: Revised Gifts and Hospitality policy to be recommended to Board for approval.

7. NIAO Report to those charged with governance

Curtis Fleming introduced the report which reflected a clean audit and thanked Commission staff for their input during the audit process. Barney Conway confirmed the satisfactory unqualified overall audit opinion and highlighted a number of key points in the report. Leanne McCullough welcomed the report and the Chair thanked the auditors and staff for all their work, which reflects strong emphasis on good governance.

9. Cyber Security Update

The Head of Corporate services highlighted developments since the last update and outlined steps being taken to further enhance cyber security. The Committee discussed upgrading on-line systems and robust cyber security/information management procedures related to corporate register risk 6 and noted related actions were appropriate. Following a query from Caron Alexander regarding details in the update citing limited assurance of Digital Shared Service's Information Assurance, the Head of Corporate Services confirmed this was drawn from a report on Internal Audit activity during the 2024/25 financial year in relation to DoF's Shared Services and undertook to share the full report with ARAC members to confirm the accuracy of the update.

AP4: Head of Corporate services to circulate details of internal audit report on shared services.

Michael Woods left the meeting at 15.10.

8. Budget

The Head of Corporate Services outlined resource spend a third through the year was thirty one percent, and that procurement of online forms software was underway. A risk to spending the current accommodation capital allocation was noted as per final points discussed under agenda item 4.

9. Audit recommendations implementation report

The Committee noted that all recommendations were cleared.

Michael Woods rejoined the meeting at 15.15.

10. Committee self-assessment

The Chief Executive outlined the approach and Commissioners agreed to convene to review the template.

AP5: AO to identify a suitable meeting date for the Committee to complete the self-assessment.

11. DoF Annual Fraud Report

The Head of Corporate Services noted that the report had not been received.

12. Review conditions attached to business case approvals

The Head of Corporate Services outlined details of current business case approvals, and the Committee noted that outstanding Post Project Evaluations had been cleared by the Finance & Admin team as part of the Commission's pilot of using IT Assist enabled artificial intelligence software.

13. Review of Gifts and Hospitality Register

Details of the register were noted. This will be published following the Board's adoption of item 6 at its next meeting in September.

14. DAO and FD letters summary

Update noted.

15. Fraud and concerns about Commission report

The Head of Corporate Services confirmed there had been no internal frauds or concerns about the Commission.

16. AOB

None.

17. Issues for next meeting 25 Nov 2025

Items agreed included:

- Assurance check of MOUs/SLAs.
- Summary of self-assessment exercise.
- Review Business Continuity Plan.
- Review Conflicts of Interest Policy.

8. Meeting with members and auditors without staff present.

Staff and DfC Observer left the meeting at 15.45.

Committee members met with representatives of external and internal audit. The former noted no issues arising from the recent year-end audit, which went well, with good cooperation between all involved and no recommendations made. The committee noted work had commenced on internal audit assignments for 2025/26. Regarding the development of an audit plan for 2026/27, discussion will commence on whether a one-year plan or three-year plan is appropriate given the wider context such as funding allocations. Further discussions will take place to identify any perceived or possible gaps areas of audit work. Finally, both sets of auditors confirmed there was good cooperation, transparency and assistance from the Commission team, and good relationships exist.

Meeting ended at 16.00.

Audit & Risk Committee

Register of Outstanding Action Points

Committee Meeting and Action Point Number	Date Raised	Agenda Item	Action	Owners	Status
66 (1)	27/08/25	4	Amended Corporate Risk Register to be recommended to Board for approval.	HoCS	Underway
66(2)	27/08/25	5	Revised finance procedures policy to be recommended to Board for approval.	HoCS	Underway
66 (3)	27/08/25	6	Revised Gifts and Hospitality policy to be recommended to Board for approval.	HoCS	Underway
66 (4)	27/08/25	9	Head of Corporate services to circulate details of internal audit report on shared services.	HoCS	Underway
66 (5)	27/08/25	10	AO to identify a suitable meeting date for the Committee to complete the self-assessment.	AO	Underway

65 (7)	13/05/25	11	The CEx, Chair and Head of Internal Audit to develop a new three year strategy.	CEx	Underway
65 (9)	13/05/25	20	Internal Audit to circulate agenda for meeting of ARAC members and auditors without staff present.	NIAO	Complete