

**Minutes of Audit & Risk Assurance Committee Meeting No. 24  
held on Tuesday 12 May 2015 at 10.00 in the Charity Commission for  
Northern Ireland office in Lurgan**

**Present:**

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

**In Attendance:**

Frances McCandless, Chief Executive  
Aubrey McCrory, Head of Corporate Services  
Martin Devine, DSD URCDG  
Molly O'Neill, DSD VCU  
Brian O'Neill, NIAO  
Jenny Murray, Internal Audit  
Eamonn O'Reilly, Internal Audit  
Kathryn Jennett, Charity Commission

**Apologies**

Brenda Maitland, Commissioner  
Lacey Walker, DSD Internal Audit

At the outset the Chair welcomed everyone to the meeting of the Audit & Risk Assurance (A&RA) committee.

**1. Minutes of Meeting**

The minutes of the A&RA Committee meeting held on 10 February 2015 were proposed by Norman Bennett and seconded by Philip McDonagh and agreed as a true and accurate record subject to minor amendment.

**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 advised the Committee that he and Norman Bennett had attended the Department's Audit & Risk Committee Forum. The agenda included a presentation by Lacey Walker regarding new structures within the Department following the merger of Internal Audit and the Corporate Investigations Unit. Arrangements for the new Department for Communities, which would take over responsibility for the Commission, were also outlined along with details of new Guidance on Assurance Mapping that will be launched at an event on 22 May 2015. The Chair also informed the Committee that this would be his last committee meeting and he thanked everyone for their contributions over the years.

### **4. Draft Annual Accounts 2014-15**

The Head of Corporate Services introduced the draft Annual Accounts 2014-15 to the Committee and highlighted a proposed change to accounting policies regarding the introduction of provisions in the accounts and the relevant entries.

The Finance and Admin Manager highlighted a number of amendments to the draft accounts after they were circulated to the committee following their review by the Northern Ireland Audit Office (NIAO). In particular changes to split spend on intangible assets and other minor changes arising from audit fieldwork. Following discussion the accounts were approved subject to minor amendment as proposed by Norman Bennett and seconded by Kieran Donaghy. Brian O'Neill, Northern Ireland Audit Office (NIAO), congratulated the Finance and Admin Manager on the standard of the accounts produced, and indicated the draft Report to Those Charged with Governance would be forwarded shortly reflecting an unqualified certificate and clean management letter

**AP2: Draft Annual Accounts to be amended and recommended to Board for approval and signing.**

**AP3: NIAO to issue draft Report to Those Charged with Governance for consideration at special A&RA meeting prior to May Board meeting**

### **5. Draft Governance Statement for Annual Report**

The Head of Corporate Services introduced the draft statement to the Committee and advised that in preparing it officers had referred to the NIAO guidance to ensure general requirements were reflected. Following discussion of the key decisions and risk control sections the

statement was agreed for recommendation to the Board, following proposal by Philip McDonagh and seconded by Norman Bennett, subject to minor amendment.

**AP4: Draft Governance Statement to be recommended to the Board for approval.**

**6. Audit & Risk Assurance Annual Report to Board**

The Chair of Audit & Risk Assurance Committee introduced the report to the Committee which summaries the committee's activity during 2014-15. The report sets out the committee's opinion on the adequacy and effectiveness of the Commission's arrangements for risk management, control and governance, and value for money. Following discussion it was agreed to recommend the report, subject to minor amendment, to the Board following proposal by Kieran Donaghy and seconded by Norman Bennett.

**AP5: Annual report to be recommended to Board for approval.**

**7. Corporate Risk Register**

The Head of Corporate Services introduced the Corporate Risk register to the committee and detailed proposed changes that have arisen following discussion by Senior Management Team, in particular that risk 2 be increased and risk 4 reduced. Both NIAO and Internal Audit indicated they were content with the number of risks having been reduced to 5, and these were sufficient and well documented. Following discussion of the current assessment it was agreed to recommend the draft risk register to the board in light of proposal by Philip McDonagh and seconding by Kieran Donaghy.

**AP6: Risk register to be recommended to Board.**

**8. Internal Audit – 2<sup>nd</sup> Assignment report and full year report**

Eamonn O'Reilly, Internal Audit, introduced the reports to the Committee and reported an overall satisfactory opinion. The results of the Internal Audit work that was undertaken across the relevant areas during 2014/15 demonstrated that overall a robust framework of governance, risk management and control had been established across the Commission. It was recognised that some of the targets that the Commission had set were optimistic at the time in the context of new processes. In relation to casework it was clear the Commission was challenging and scrutinising charity registrations.

**9. End of year Budget**

The Head of Corporate Services introduced the end of year budget to the committee, and highlighted that the previous risk around capital spend had been mitigated, and that overall the Commission had a 2.6% under spend at year end against a target of 1%.

**10. Audit recommendation implementation report**

The Head of Corporate Services introduced the report to the committee and outlined progress that had been made in completing audit recommendations. The committee noted the progress and were pleased with actions taken.

**11. Review of conditions attached to business case approvals**

The Head of Corporate Services introduced the report which sets out information on business cases relating to appointment of legal counsel and the major capital project underway. Following discussion it was agreed that the information be contained in a table for ease of reading. The Head of Corporate Services advised that in the June Monitoring round the Commission had bid for £90k of resource in the main for registration support, and £40k capital to allow further work on ICT strategy implementation.

**AP7: Information contained in the document to be transferred into table format.**

**12. Quarterly Assurance Statement**

The Chief Executive introduced the statement and outlined a number of elements of risks and targets that have not been met. Following discussion it was agreed to seek clarification from the Department on amending the budget target to 2% rather than 1%, prior to the business plan going to the Minister. Also it was agreed to report the absence target excluding long term sickness as is the practice in the Department.

**AP8: Clarify if appropriate to amend Business plan to reflect change in budget target from 1% to 2%.**

**13. DAO Letters summary**

Noted

**14. AOB**

The Committee thanked the Chair for his contribution to the Audit & Risk committee over the years and wished him all the best in the future.

The Head of Corporate Services noted the Department had been asked to confirm arrangements for the receipt of and accounting for any costs awarded to it by the courts. Martin Devine indicated if additional resources were received when costs had been incurred the Commission would be able to receive and spend the award.

**AP9: DSD to confirm in writing arrangements for the receipt of and accounting for any costs awarded to it by the courts**

The Committee noted the NIAO had produced new guidance on Conflicts of Interest and a national report on Whistleblowing in the Health Sector highlighted a range of good practice recommendations. It was agreed to circulate these to all commissioners

**AP10: Circulate NIAO guidance on managing conflicts of interest and Health Sector Whistleblowing Report to Commissioners**

Finally two changes to the A&RA committee's make up were noted. Norman Bennett would take over as chair and Walter Rader (Deputy Chief Commissioner) would replace Brenda Maitland.

**15. Issues for next meeting September 2015**

New date to be confirmed for the September meeting

The meeting ended at 11.40

**Audit & Risk Committee**  
**Register of Outstanding Action Points**

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<b>Committee Meeting and Action Point Number</b>	<b>Date Raised</b>	<b>Agenda Item</b>	<b>Action</b>	<b>Owners</b>	<b>Status</b>
23 (6)	10/02/2015	Internal Audit report on 1 <sup>st</sup> Assignment	Additional assurance checks on investigations to be introduced.	HCE	Complete
24 (1)	12/05/15	Minutes of Meeting	Minutes of the meeting to be recommended to the Board	Kathryn	Complete
24 (2)	12/05/15	Draft Annual Accounts 2014-15	Draft Annual Accounts to be amended and recommended to Board for approval and signing.	HCS	Complete
24 (3)	12/05/15	Draft Annual Accounts 2014-15	NIAO to issue draft Report to those Charged with Governance for consideration at May Board meeting	NIAO	Complete
24 (4)	12/05/15	Draft Governance Statement for Annual report	Draft Governance statement to be recommended to the Board for approval	HCS	Complete

24 (5)	12/05/15	Audit & Risk Assurance Annual Report to Board	Annual report to be recommended to Board for approval	HCS	Complete
24 (6)	12/05/2015	Corporate Risk Register	Risk register to be recommended to Board	HCS	Complete
24 (7)	12/05/2015	Review of Conditions attached to business case approvals	Information contained in the document to be transferred into table format	HCS	Complete
24 (8)	12/05/2015	Quarterly Assurance Statement	Amend Business plan to reflect change in budget target from 1% to 2%.	HCS	Complete
24 (9)	12/05/15	AOB	DSD to confirm arrangements for the receipt of and accounting for any costs awarded to it by the courts	DSD – Martin Devine	Complete
24 (10)	12/05/15	AOB	Circulate NIAO guidance on managing conflicts of interest and Health Sector Whistleblowing Report to Commissioners	Kathryn	Complete