

**Minutes of Audit & Risk Assurance Committee Meeting No. 40  
held on Tuesday 7 May 2019 at 10am in the Charity Commission for  
Northern Ireland office, Lurgan**

**Present:**

Séamus Magee, Commissioner (Chair)  
Gerard McCurdy, Deputy Chief Commissioner  
Kieran Donaghy, Commissioner

**In Attendance:**

Frances McCandless, Chief Executive  
Aubrey McCrory, Head of Corporate Services  
Eamonn O'Reilly, Department for Communities (DfC) Internal Audit  
Catherine O'Hagan, NI Audit Office  
Kathleen McLoughlin, Finance & Admin Manager  
Beth Compston, Administration Officer (Minutes)

Apologies: Tracey McGavigan DfC Internal Audit, Joanna McConway, DfC Voluntary & Community Division (VCD), Martin Ireland, DfC VCD

The meeting commenced at 10am. Séamus Magee acting as interim Chair welcomed all to the meeting. The committee agreed to a 9:30am start time for future meetings.

**1. Minutes of Meeting No 39**

The minutes of the Audit & Risk Assurance (A&RA) Committee meeting number 39 held on 26 February 2019, were agreed as a true and accurate record as proposed by Séamus Magee and seconded by Kieran Donaghy.

The CEx updated the Committee on DfC's work to relocate the Commission and confirmed she would source a speaker for the September meeting about risks in the charity sector.

**AP1: Minutes of meeting No 39 to be recommended to Board for approval.**

**2. Conflicts of Interest**

No declarations were made in relation to this meeting.

### **3. Chair's Comments**

It was noted the Commission was still awaiting DfC to appoint a new Commissioner with an accounting qualification. The Committee discussed efforts by VCD to identify candidates for the role of independent committee member following changes to key experience requirements. Pending decisions on other appointments to the committee it was agreed to ask VCD to approach other public sector bodies to identify individuals with experience of assurance of strategic change and/or ICT strategy.

### **4. Risk Register**

The Head of Corporate Services introduced the draft register which had been developed on foot of the 2019/22 Strategic Plan. The committee noted the cross cutting nature of the risks and their potential relationship to outcomes. Given recent changes in membership it was decided to hold a workshop involving committee members and senior officers to review risk triggers, assumptions and assurances. Following discussion it was agreed to recommend the draft risk register to the Board, subject to minor amendment, as proposed by Kieran Donaghy and seconded by Gerard McCurdy

**AP2: Draft Risk Register to be recommended to Board following minor amendment.**

### **5. Review of Draft Accounts**

The Chair noted the fast turnaround on the draft 2018-19 Accounts. Kathleen McLoughlin, Finance & Admin Manager, highlighted the basis of the accounts preparation, provided an overview of financial position and cash flows, and discussed the breakdown of expenditure and supporting notes. The chair welcomed a reduction in the cash held at year end compared to the previous year. It was noted steps were being taken to finalise the remuneration report for inclusion in the draft annual report to the Board. Catherine O'Hagan, NI Audit Office outlined progress with NIAO fieldwork and no issues were brought to the attention of the committee at this time.

The Committee thanked the Finance & Admin Manager and staff for their work and the quick turnaround of the draft accounts which were agreed for recommendation to the Board, as proposed by Gerard McCurdy and seconded by Kieran Donaghy.

**AP3: Draft 18/19 Accounts to be recommended to Board for approval.**

## **6. Review of Draft Governance Statement**

The CEx introduced the draft statement and clarified a number of aspects for members. Following discussion the proposed draft governance statement was agreed for recommendation to the Board, subject to minor amendment, as proposed by Gerard McCurdy and seconded by Kieran Donaghy

**AP4: Draft Governance Statement to be recommended to Board following minor amendment.**

## **7. A&RA Committee Annual Report**

The Chair introduced the report which acknowledged the significant work of the previous committee chair Norman Bennett. It was noted during the year the committee considered the results of over 10 areas of commission activity that were subject to audit, and the committee also commenced additional work on cyber assurance. Following discussion it was agreed to recommend the A&RA Annual report 2018/19 to the Board as proposed by Kieran Donaghy and seconded by Séamus Magee.

**AP 5: A&RA committee Annual Report to be recommended to Board.**

## **8. Internal Audit Reports**

Eamonn O'Reilly gave an overview of the Internal Audit Annual report for 2018/19 which reflected an overall satisfactory opinion on work assessed during the year and previous audit recommendations that were revisited. The report on the second assignment during 2018/19 was reviewed by the Committee and one priority 3 recommendation and management response was noted. Following discussion the committee agreed to recommend the Internal Audit reports to the Board, as proposed by Gerard McCurdy and seconded by Kieran Donaghy.

**AP 6: Internal Audit Reports to be recommended to Board.**

## **9. Internal Audit Strategy**

Eamonn O'Reilly introduced the proposed audit strategy noting for the first time it covered a four year period. The committee discussed the overall number of days for assurance work and the potential to avail of additional audit input when changing or devising new procedures

specifically to identify any missing aspects. Committee members identified a number of additional areas and Eamonn confirmed the proposed distribution of days was flexible. On that basis the Committee agreed to proceed with the programme for 2019/20 as set out in Annex B, to discuss the focus of future years at the risk workshop agreed under item 4 and to recommend the draft plan, following amendment, as proposed by Gerard McCurdy and seconded by Kieran Donaghy.

**AP 7: Internal Audit Strategy to be recommended to Board following minor amendment.**

**10. Audit recommendations implementation report**

The Head of Corporate Services updated the Committee on progress regarding completed and outstanding recommendations, some of which involved the Board taking a final position.

**11. Review of conditions attached to Business Case approvals**

Updated noted.

**12. DAO & FD letters summary**

Summary noted and officers confirmed details of the Annual Theft & Fraud report had been circulated to Board members and all staff.

**13. Budget**

The Head of Corporate Services outlined the current year end position and plans to update the Board at its next meeting on planned spend for 2019/20.

**14. End of year report on SMT and Board expenses**

The Committee noted which included overseas travel signed off by the sponsor department's Permanent Secretary.

**15. AOB**

None.

**16. Issues for next meeting**

Details

Next meeting scheduled for 10 September 2019.

Meeting ended at 11:30am

## Audit & Risk Committee

### Register of Outstanding Action Points

<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>
39 (1)	07/05/19	1	Minutes of meeting 39 to be recommended to Board for approval	HoCS	Complete
39 (2)	07/05/19	4	Risk Register to be recommended to Board following minor amendment	HoCS	Complete
39 (3)	07/05/19	5	Draft 18/19 Accounts to be recommended to Board for approval.	HoCS	Complete
39 (4)	07/05/19	6	Draft Governance Statement to be recommended to Board following minor amendment.	CEx	Complete
39 (5)	07/05/19	7	A&RA Annual Report to be recommended to Board.	HoCS	Complete
39 (6)	07/05/19	8	Internal Audit Reports to be recommended to Board.	HoCS	Complete
39 (7)	07/05/19	9	Internal Audit Strategy to be recommended to Board following minor amendment.	CEx	Complete
38 (5)	26/02/19	5	draft risk register to support the 2019/20 business plan to be developed for next A&RA ctte meeting.	HoCS	Complete

38 (9)	26/02/19	13	mechanism for increased reporting on business plan budgeting on quarterly basis to be identified.	HoCS	Complete
38 (8)	10/12/18	10	CEX to arrange external input for the next September meeting 2019.	CEX	Complete
30 (3)	15/11/16	7	A&RA involvement in Section 22 decisions to be part of wider Board discussion.	HCorpS	Underway