

**Minutes of Audit & Risk Assurance Committee Meeting No. 60
Held on Tuesday 14 May 2024 at 10.00am**

Present:

Hugh McKeag, Commissioner (Chair)
Alan Hunter, Commissioner

In Attendance:

Frances McCandless, Chief Executive
Aubrey McCrory, Head of Corporate Services
Ian Croskery, Finance & Admin Manager
Jennifer Black, Admin Officer (Minutes)
Curtis Fleming, Northern Ireland Audit Office
Barney Conway, ASM Chartered Accountants (External Auditors)
Michael Woods, DfC Internal Audit
Colleen Bell, DfC Voluntary and Community Division (observer)
Gerard Reilly, DfC Voluntary and Community Division (observer)

Apologies:

Caron Alexander, Independent committee member, Peter Murchan, DfC Internal Audit

The meeting commenced at 10.00am.

1. Minutes of Meeting No 59

The minutes of the Audit & Risk Assurance (A&RA) Committee meeting number 59 held on 12 March 2024 were previously agreed as a true and accurate record and proposed for recommendation to the Board for publication by Alan Hunter and seconded by Hugh McKeag.

AP1: Minutes of meeting No 59 to be recommended to the Board for publication.

2. Conflicts of Interest

None recorded.

3. Chair's Comments

The Chair welcomed Barney Conway and Gerard Reilly to the meeting. He noted the recent resignation of Terry McGonigal to take up a full-time position and recorded the committee's appreciation for Terry's input. Recruitment of a Deputy Chief Commissioner, arrangements to replace the Commissioner with an accountancy background were noted. Progress on a potential scheme of delegation and consultation on the introduction of registration threshold starting in late May/June and running over the summer months were noted as relevant to risks in the draft 2024/25 corporate risk register.

4. Draft Accounts 2023/24

The Chair welcomed Ian Croskery to the meeting and commended staff for the turnaround on the draft 2023-24 accounts. Details of the basis of the accounts preparation and an overview of financial position and cash flows was provided. Committee members noted the breakdown of expenditure and supporting notes. Prior year comparisons were highlighted, in particular the decrease in legal provisions and increase in cash equivalents at year end. A series of queries were addressed.

The Committee thanked all staff for their work on the draft accounts which were agreed for recommendation to the Board, subject to amendment, as proposed by Alan Hunter and seconded by Hugh McKeag.

AP2: subject to amendment draft accounts to be recommended to Board for approval.

5. Draft Governance Statement

The CEx introduced the draft statement which was intended to meet aspects of the Government's Financial Reporting Manual (FREM) requirements. The Committee noted this year's report was shorter than previous years following feedback from the auditors. Following queries from the Committee it was agreed to recommend the draft governance statement to the Board as proposed by Alan Hunter and seconded by Hugh McKeag.

AP3: Draft governance statement to be recommended to Board for approval.

6. Draft 2024/25 Corporate Risk Register & Action Plan

The Head of Corporate Services presented the draft register which reflected risks related to the draft 2024/25 business plan. The Committee noted the input of staff in formulating risks and discussed the initial ratings. A number of queries related to arrangements for any threshold and scheme of delegation were addressed. The Committee noted expansion of the cyber risk to include reliability of Information & Communication Technology (ICT) services, and agreed a previous risk of lack of stakeholder engagement was no longer relevant. It was agreed to recommend the draft register, subject to amendment, to the Board as proposed by Alan Hunter and seconded by Hugh McKeag.

AP4: Draft Corporate Risk Register to be recommended to Board for approval.

7. A&RA Committee Annual Report

The Chair introduced the report which was noted.

8. A&RA Committee schedule

The Committee discussed and noted updating of reviews and agenda items.

9. Internal Audit 2nd Assignment Report 2023/24

Michael Woods outlined the overall satisfactory rating. The Committee noted the findings and accepted the one priority two recommendation across the areas audited.

10. Internal Audit Year-End Report 2023/24

Michael Woods introduced the report and noted the overall satisfactory assurance over the course of the year. He noted the good co-operation from staff.

11. a) Annual expenditure Report 2023/24

Ian Croskery introduced the paper and explained the year end position as regards revenue and capital spend against business plan targets.

b) Draft Budget 2024/25

The Head of Corporate Services outlined the budget approach in response to sponsor department's initial allocation of quarter one resource spend based on 2023/24's opening resource allocation. The Committee discussed increases in Commissioner costs compared to previous year and noted implications going forward if a scheme of delegation was not in effect as anticipated. The scale and impact of accommodation-related costs and the anticipated reduction in legal spend in 2024-25 were discussed. The Committee noted sponsor department had provided approval to go ahead with website development work pending notification of annual revenue and capital allocations. It was agreed this might need to be reflected in the risk register if there is no progress soon.

12. Report on SMT and Board Expenses

The Committee noted the report.

13. Review Conditions attached to Business case approvals

The Committee reviewed the update and noted a new Direct Award Contract for website development had been awarded by DfC.

14. Audit recommendations implementation report

The Committee noted the report.

15. DAO and FD letters summary

The update was noted.

16. Fraud and Concerns about Commission report

Nothing to report.

17. AOB

None raised.

18. Issues for next meeting 5 Sept 2024

In addition to standing items:

- NIAO Report to those charged with Governance.
- Committee Self-Assessment

- Meeting of members and Auditors without staff present.
- Review of Finance procedures (if necessary).
- Review information security policy (2024)
- DoF Annual Fraud Report.
- Cyber security update.

Meeting ended at 11.30am.

Audit & Risk Committee
Register of Outstanding Action Points

Committee Meeting and Action Point Number	Date Raised	Agenda Item	Action	Owners	Status
60 (1)	14/05/24	1	Minutes of meeting No 60 to be recommended to the Board for publication	HoCS	Complete
60 (1)	14/05/24	4	Amended draft accounts to be recommended to Board for approval.	HoCS	Complete
60 (1)	14/05/24	5	Draft governance statement to be recommended to Board for approval.	CEx	Complete
60 (1)	14/05/24	6	Draft Corporate Risk Register to be recommended to Board for approval.	HoCS	Complete
59 (5)	12/03/24	6	Further training staff and Commission on fraud, bribery and money laundering to be arranged.	HoCS	Underway
59 (11)	12/03/24	12	Head of Corporate Services to follow up with IT Assist account manager regarding access to assurance dashboard.	HoCS	Underway

54 (6)	24/11/22	7	Commission to write to all MOU partners updating them on current arrangements and future developments.	HCS	Postponed Until intro of potential scheme of delegation
--------	----------	---	--	-----	--