

**Minutes of Audit & Risk Assurance Committee Meeting No. 29  
held on Tuesday 29 September 2016 at 2pm in the Charity  
Commission for Northern Ireland office, Lurgan**

**Present:**

Norman Bennett, Chair  
Séamus Magee, Commissioner  
Kieran Donaghy (Independent Member)

**In Attendance:**

Frances McCandless, Chief Executive  
Aubrey McCrory, Head of Corporate Services  
Jennifer Black, Admin Officer  
Eamonn O'Reilly, DfC Internal Audit  
Rossa Keown, NI Audit Office

**Apologies:**

Peter Toner, DfC Voluntary and Community Directorate

**1. Minutes of Meeting**

The minutes of the Audit & Risk Assurance (A&RA) Committee meeting held on 10 May 2016, were proposed by Séamus Magee, seconded by Kieran Donaghy and agreed as a true and accurate record.

**AP 1: Minutes of the meeting to be recommended to the Board for approval.**

**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 that Walter Rader had resigned in August to take up the new post of Discretionary Support Commissioner NI. The Committee noted a replacement had not yet been appointed and so the Board meeting on 19 September had agreed to reduce the A&RA Committee's quorum to two on a temporary basis. The Chair also advised that he had attended two recent consultation events relating to SORP and matters of material significance.

#### **4. Risk register**

The Committee discussed the Risk Register agreed at the September Board meeting. This reflected increases in the assessment of risks 3 and 6. The committee noted that a range of developing risks regarding resources could impact on delivery of the registration business plan target, that this was being assessed by Management and that the Board may revise related targets. It was also recognised the Commission was going through a phase of external challenges outwith the proper tribunal and legal route. A series of amendments was agreed to the register following proposal by Kieran Donaghy and seconding by Norman Bennett.

**AP 2: Risk Register to be amended to reflect agreed changes for Board approval.**

#### **5. Revised travel and subsistence policy**

The Committee reviewed the travel and subsistence policy which had been amended in light of internal audit recommendations. In particular, the insurance indemnity requirement had been brought into line with the updated NICS policy. Committee members discussed the sampling process for validating insurance held by those making claims on a rolling proportionate basis and requested the first claims from new staff and Commissioners should also be validated. The committee agreed the changes as proposed by Séamus Magee, seconded by Kieran Donaghy.

**AP 3: Policy to be amended for Board approval.**

#### **6. Revised finance procedures**

The Committee reviewed the updated finance procedures. Changes were in response to Internal Audit recommendations, staff suggestions, and increased reporting requirements from the sponsor department which had quick turnaround times and were quite challenging. The committee noted a query had been raised with the sponsor branch and governance team regarding authorisation of Commission salary payments through HR Connect and Account NI. Interim arrangements had been put in place and a business case to increase the Chief Executive's delegated limit and amendments to the Management Statement & Financial Memorandum had been submitted for consideration by the Department. The Committee noted this was a critical issue to be resolved and asked that its concern at any delay be communicated to the Department.

The Committee also agreed that it would be beneficial to have separate forms for travel claims and for other expenses.

Eamonn O'Reilly advised the meeting that he was content reasonable steps have been taken to minimise any risk in relation to purchasing procedures. Further amendments to the policy on credit card use and an additional check on declarations were identified by the committee. The finance procedures were agreed, subject to minor amendment, as proposed by Séamus Magee, seconded by Kieran Donaghy.

**AP 4: Committee views on delegated limits and approval of salary payments to be communicated to sponsor branch.**

**AP 5: Finance procedures to be amended for Board approval.**

**7. NI Audit Office Report to Those Charged with Governance**

Rossa Keown (NIAO) advised the Committee that a good set of accounts had been produced and an unqualified audit opinion had been given. There were no audit risks and no recommendations to be made for the second year running. Thanks to the Chief Executive and staff for their assistance were noted. The Committee commended all staff involved on the positive conclusion of the Audit Report.

**8. Audit recommendations implementation report**

The report was noted.

**9. Budget**

The Head of Corporate Services introduced the August budget report. Plans to flex remaining spending commitments at mid year and take forward capital spend on building security enhancements now the Department had signed a new lease were outlined. The update was noted and it was agreed, following a suggestion from Kieran Donaghy, that details of staffing compliment be included in the report.

**AP 6: Budget report to include staffing compliment information going forward.**

**10 Meeting of members and auditors without staff present**

All staff left the meeting. The Chair noted both internal and external auditors had raised no issues and commented on the high quality of working papers, the helpful nature of all staff, and that management are always proactive in their response to any recommendations. Both the Committee and Auditors congratulated staff on a further year when no recommendations were made. Staff returned to the meeting.

## **11. Internal Audit Terms of Reference for first assignment**

Eamonn O'Reilly advised that scheduled audit work had commenced as planned in September. He stated that the outcome was positive, showing robust procedures and controls were in place, and there were no priority 1 recommendations. The report will be issued shortly following quality review, and a meeting arranged with the Chief Executive. Once findings are agreed the report will be issued to committee members.

Plans for the new Grade 5, now in charge of all Internal Audit functions, to attend a future meeting were noted.

## **12. Quarterly Assurance Statement**

The Chair highlighted new requirements from the sponsor department covering sign off of the quarterly assurance statement, which now involved the A&RA committee and the Board meeting to sign off the statement within two weeks of each quarter end. Committee members indicated the view that these requirements were unreasonable and there was no need for such a tight timescale unless an organisation's risk profile warranted it. Having taken advice from the sponsor team, and with the agreement of both internal and external audit, it was suggested that sign off could be carried out by email and any issues would be dealt with by conference call while endeavouring to meet the imposed deadline. It was agreed the Chair would highlight the Commission's proposed approach to the Chair of the Department's Audit & Risk Assurance committee.

The Chief Executive introduced the Quarterly Assurance Statement (QAS) for quarter two, noting this was in a new departmental format and included various new elements. Following consideration of the QAS a number of minor amendments were identified and it was agreed a new assurance check would be developed in relation to the Code of Good Governance (NI) 2013. It was agreed the minute show that the statement was fully considered.

**AP 7: Chair of A&RA committee to write to Chair DfC A&RA committee to indicate Commission's proposed approach to reviewing and signing of the QAS**

**AP 8: new assurance check on complying with Code of Good Governance (NI) 2013 to be agreed**

**AP 9: QAS to be amended and forwarded to board for agreement.**

**13. Committee self-assessment**

The Committee agreed to meet to undertake the Audit Committee self-assessment checklist on 31 October 2016, in Lighthouse Building, Belfast.

**AP 10: Meeting to be arranged for Committee to undertake self assessment exercise at the Lighthouse Building.**

**14. Review of Conditions attached to business case approvals**

The Head of Corporate Services introduced the report to the Committee and conditions were noted.

**15. DAO letters summary**

Noted. The Committee indicated it was content to accept the new internal audit rating scale as per DAO (DFP) 07/16.

**16. AOB**

The A&RA Committee handbook was discussed and it was agreed that each meeting would include a review of actions agreed and issues to be taken forward. This would be collated in a list of bullet points and emailed to all attending to form the basis of a report of the meeting.

It was noted that the A&RA Committee had not met since the Minister announced the strategic review, and that the report was currently being drafted and was expected to be shared with the Board once the Minister had received it. The Committee agreed it would need to consider if there were any risks for the organisation associated with the recommendations when these emerge.

**17. Issues for next meeting**

NIAO Audit strategy, Outcome of the self-assessment exercise, Business Continuity Plan review, further discussion of QAR reporting requirements.

Date of next meeting 15 November 2016  
Meeting ended at 15:40

**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>
29 (1)	29/9/16	1 - Minutes of 10 May 2016 meeting	Minutes of 10/5/2016 meeting to be recommended to Board for approval	HCorpS	Underway
29 (2)	29/9/16	4 – Risk Register	Amend Risk Register to reflect agreed changes	HCorpS	Complete
29 (3)	29/9/16	5 – Revised Travel and Subsistence Policy	Policy to be amended for board approval	HCorpS	Underway
29 (4)	29/9/16	6 - Revised Finance Procedures	Committee views on delegated limits and approval of salary payments to be communicated to sponsor branch	HCorpS	Underway
29 (5)	29/9/16	6 – Revised Finance Procedures	Finance procedures to be amended for board approval	HCorpS	Underway
29 (6)	29/9/16	6 – Revised Finance Procedures	Budget report to include staff compliment information.	HCorpS	Underway
29 (7)	29/9/16	12 – Quarterly Assurance Statement	Chair to write to DfC A&RA committee to indicating CCNI approach to QAS	Chair A&RA	Complete

29 (8)	29/9/16	12 – Quarterly Assurance Statement	New assurance check on complying with Code of Good Governance (2013) to be developed	HCorpS	Underway
29 (9)	29/9/16	12 – Quarterly Assurance Statement	QAS to be amended and forward to Board for agreement	CEX	Complete
29 (10)	29/9/16	13 – Committee Self-Assessment	Meeting to be arranged for Committee Self-Assessment	Admin	Complete
28 (11)	10/05/16	Draft 2016/17 Business Plan Risk Register	Revised draft Business Plan Risk Register to be produced and submitted to June Board meeting for approval	HCorpS	Complete