The Charity Commission for Northern Ireland

Minutes of Audit & Risk Assurance Committee Meeting No. 58
Held on Monday 20 November 2023 at 10.00am
in Marlborough House

Present:
Hugh McKeag, Commissioner (Chair)
Terence McGonigal, Commissioner
Caron Alexander, Independent member

In Attendance:
Frances McCandless, Chief Executive
Aubrey McCrory, Head of Corporate Services
Ciara McCann, Admin Officer (Minutes)
Curtis Fleming, Northern Ireland Audit Office
Paul McIlroy, DfC Internal Audit
Peter Murchan, DfC Internal Audit
Valarie McCloskey, DfC Voluntary and Community Division (observer)

Apologies:
Alan Hunter, Commissioner

The meeting commenced at 10.00am.

1.   Minutes of Meeting No 57

The minutes of the Audit & Risk Assurance (A&RA) Committee meeting number 57 held on 11 September 2023 were previously agreed by correspondence and published by the November Board. An update on actions was provided and the Committee accepted work to progress item 7 meeting 24/11/22 would occur in 2024/25.

2.   Conflicts of Interest

The Chair reminded Commissioners to raise any conflicts of interest. None recorded.

3.   Chair's Comments

The Chair welcomed Terence McGonigal to his first meeting and noted his wealth of experience in public sector A&RA committees. The

Committee noted correspondence received from NIAO (Northern Ireland Audit Office) regarding outsourcing the Commission's audit. Given existing clients in the charity sector the Committee noted potential conflicts of interest existed for the contractor and for the NIAO, and asked that arrangements to manage these were confirmed in writing by NIAO.

The Chair noted recent training events which included information on an update of the Treasury's Orange Book.

AP1: NIAO to confirm arrangements for managing conflicts of interest related to outsourcing audit work.

AP2: Orange Book update to be included in forthcoming review of the Commission's Risk Management Policy.

4. **Corporate Risk Register & Action Plan (including deep dive into risk 4)**

The Chief Executive introduced the register and explained the reasons for the two increases in ratings recommended by Senior Management Team. Following discussion, the Committee agreed to increase risk 4 Staff retention and satisfaction, and risk 5 Budget constraints, as proposed by Terence McGonigal and seconded by Caron Alexander.

The Committee undertook a deep dive into Risk 4 and discussed risks and opportunities around the Commission's current hybrid working arrangements and the accommodation move sponsor team is taking forward.

AP3: Risk register to be recommended to the Board.

5. **Review of Conflicts of Interest policy**

The Head of Corporate Services gave a verbal report noting that Internal Audit had examined the policy as part of its first assignment and recommended additional assurance checks were being implemented. The Committee agreed no issues warranted a change in the policy as proposed by Terence McGonigal and seconded by Caron Alexander.

AP4: Outcome of the review of the Conflicts of Interest policy to be recommended to the Board.

6.   Review of Business Continuity Plan

The Head of Corporate Services updated the Committee on the review of the plan including desktop testing of contacts. Following experience in October it was agreed to add an additional communication channel in the plan and to circulate this to Committee members. The Committee agreed there was no need to amend the plan at this time but that a separate cyber security risk would be included in the corporate risk register as proposed by Caron Alexander and seconded by Terence McGonigal.

AP5: Outcome of Review of Business Continuity Plan to be recommended to the Board.

AP6: Circulate Business Continuity Plan with update to the Committee for information.

AP7: Amend risk register to include a cyber risk.

7.   Internal Audit 2023/24 First Assignment Report

Peter Murchan introduced the assignment and Paul McIlroy outlined the areas covered including managing conflicts of interest, serious incident reporting, research strategy and financial management. The Committee noted a satisfactory assurance with two priority three recommendations. The audit sample and current resourcing of the Enquiries Team were discussed. The Committee were reassured by the outcome of the first assignment and highlighting by Internal Audit of the continued open approach staff had to engaging with them which was viewed as an exemplar, and the clear culture of management oversight and operating good governance arrangements.

8.   Budget

The Head of Corporate Services outlined resource budget expenditure to the end of October and emerging pressures. The Committee noted sponsor team had been made aware of the situation and management had put in place additional arrangements to manage a balanced budget to year end. The Committee were briefed on capital budget spend plans, including redesign of the website involving engagement with the Stakeholder Forum. An easement of £40k was accepted considering the need to complete existing programmed work, and delay in sponsor department's consultation on introduction of a

registration threshold which impacted scoping software development work by year end.

Plans were outlined to progress a three-year Information & Communication Technology (ICT) strategy with a programme of development work and update the Committee in the next quarter were confirmed.

AP8: ICT strategy update to March 2024 Committee meeting.

9. Committee self-assessment

The Chief Executive noted the results of the recent exercise and that no substantial issues or recommendations had been identified.

10. Review conditions attached to business case approvals

The Committee noted the update.

11. Audit recommendations implementation report

The Committee noted the continuing progress.

12. DAO and FD letters summary

The paper was noted.

13. Fraud and concerns about Commission report

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

14. AOB

Caron Alexander gave an update on recent on-line Government Internal Audit Agency training and it was agreed to circulate future events.

15. Issues for next meeting
- Review of Finance procedures
- Risk Appetite Business Plan
- Fraud & Bribery
- IA Plan 2024/25
- NIAO Audit Strategy
- IA Assignment 2nd report
- Cyber & ICT update

Meeting ended at 11.20am.

Audit & Risk Committee

Register of Outstanding Action Points

Committee Meeting and Action Point Number	Date Raised	Agenda Item	Action	Owners	Status
58 (1)	20/11/23	3	NIAO to confirm arrangements for managing conflicts of interest related to outsourcing audit work.	NIAO	Underway
58 (2)	20/11/23	3	Orange Book update to be included in forthcoming review of the Commission's Risk Management Policy.	HCorps	Underway
58 (3)	20/11/23	4	Risk register to be recommended to the Board.	HCorps	Complete
58 (4)	20/11/23	5	Outcome of the review of the Conflicts of Interest policy to be recommended to the Board.	HCorps	Underway
58 (5)	20/11/23	6	Outcome of Review of Business Continuity Plan to be recommended to the Board.	HCorps	Underway
58 (6)	20/11/23	6	Circulate Business Continuity Plan with update to the	HCorps	Underway

			Committee for information.		
58 (7)	20/11/23	6	Head of Corporate Services to amend risk register to include a cyber risk.	HCorps	Complete
58 (8)	20/11/23	8	ICT strategy update to the March 2024 Committee meeting.	ICT Mgr	Underway
57 (10)	11/9/2023	15	National Audit Office cyber assurance assessment to be completed for the March 2024 committee meeting.	HCorps	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