The Charity Commission for Northern Ireland

Minutes of Audit & Risk Assurance Committee Meeting No. 69
Held on Tuesday 5 May 2026 at 10.00am, Conference Room, Marlborough House

Present:
Hugh McKeag, Commissioner (Chair)
Alan Hunter, Commissioner
Leanne McCullough, Commissioner
Caron Alexander, Independent member

In Attendance:
Frances McCandless, Chief Executive
Aubrey McCrory, Head of Corporate Services
Nicola Fisher, Finance & Admin Manager
Ciara McCann, Finance & Admin Officer (minutes)
Curtis Fleming, Northern Ireland Audit Office
Barney Conway, Sumer Accounting NI
Peter Murchan, DfC Internal Audit
Karen Mills, DfC Voluntary and Community Division (observer)

Apologies: None

The meeting commenced at 10:00. The Chair welcomed everyone to the meeting.

1. Minutes of Meeting No 68

The minutes of the Audit & Risk Assurance (ARAC) Committee meeting number 68 held on 10 March 2026 were previously agreed by correspondence, and it was noted all actions were progressed.

2. Conflicts of Interest

The Chair reminded all present of the need to raise any conflicts of interest. None recorded at the outset of the meeting.

3. Chair's Comments

The Chair welcomed everyone to the meeting and highlighted the agenda. He noted key items for decision included the draft accounts, remuneration report and the governance statement for approval at the May Board. The Committee would also discuss the Government Digital Service's Report on AI in Use.

4. Draft Accounts 2025/26

The Chair welcomed Nicola Fisher to the meeting and commended staff for the turnaround on the draft 2025-26 accounts. Details of the basis of the accounts preparation and an overview of financial position and cash flows was provided along with the breakdown of expenditure and supporting notes and some highlights of previous year comparisons. Committee members noted the increase in staff costs due to the pay award and increased national insurance costs. It was agreed to recommend the draft accounts, subject to minor amendment, to the Board as proposed by Leanne McCullough and seconded by Alan Hunter.

Nicola Fisher introduced the draft remuneration report noting several areas of outstanding pension information. It was agreed to recommend the remuneration report, subject to minor amendment, to the Board as proposed by Leanne McCullough and seconded by Caron Alexander.

AP1 – Amended draft accounts to be recommended to Board for approval.

AP2 – Amended remuneration report to the recommended to Board for approval.

5. Draft Governance Statement

The CEx introduced the draft statement and several queries were addressed. Following discussion it was agreed to recommend the draft governance statement, subject to minor amendment, to the Board as proposed by Caron Alexander and seconded by Leanne McCullough.

AP3 – Amended draft governance statement to be recommended to Board for approval.

6. 2026/27 Corporate Risk Register & Action Plan

The Head of Corporate Services introduced the register highlighting that the March Board meeting had increased two risks. In light of recent cyber security updates SMT recommended increasing risk three - failure or unavailability of key digital systems. Concerns were noted about subsequent changes to sponsor department's procedure for notifying sponsor bodies of cyber alerts. Following discussion, it was agreed to increase risk three and recommend the register to the Board as proposed by Alan Hunter and seconded by Caron Alexander.

AP4 – updated 2026/27 Corporate Risk Register to be recommended to Board for approval.

7. ARAC Committee Annual Report

The Committee reviewed the report and minor amendments were identified to the Appendix Terms of Reference and Agenda Schedule. It was agreed to recommend the ARAC Committee Annual Report and appendices, subject to minor amendment, to the Board as proposed by Alan Hunter and seconded by Caron Alexander.

AP5 – Amended ARAC Committee Annual Report to be recommended to Board for approval.

8. Internal Audit 2nd Assignment Report 2025/26

Peter Murchan outlined the details of the 2nd assignment which covered implementation of basic compliance check procedures, implementation of Ministerial review recommendations, role of information asset owners, procurement and implementation of previous internal audit recommendations. The Committee noted an overall satisfactory opinion with one priority two recommendation. The Chair thanked the auditors and noted the support from staff.

AP6 – Amended Internal Audit 2nd Assignment Report 2025/26 to be provided to the Board for information.

9. Internal Audit – Annual Report and Opinion 2025/26

Peter Murchan introduced the report and noted the overall satisfactory assurance over the course of the year. The Chair thanked the auditors and noted the support from staff.

AP7 – Internal Audit Annual Report 2025/26 to be provided to the Board for information.

10. A) Annual Expenditure Report 2025/26

Nicola Fisher introduced the report and the Committee noted the spend achieved at year end which was within the business plan target although subject to audit and finalisation.

B) Updated Budget 2026/27

Nicola Fisher outlined the budget based on the indicative allocation for the first quarter. ARAC noted the Commission was unable to operate a balanced budget with an overspend of £38k resource anticipated. Committee members noted this situation reflected across the public sector and potential risks around spend in quarter two were noted.

11. Government Digital Service's Report on AI in use – M365 Copilot Experiment

The Chair outlined details of the report and the Committee noted the approach adopted and limited evidence of impact. Following discussion of the Commission's pilot use of Artificial Intelligence (AI) it was noted the Board had an AI pilot policy in place and SMT agreed and reported on specific areas of piloting to the Board. It was agreed to develop the Committee's governance oversight with consideration of developments in the Commission's use of AI a committee agenda item.

AP8 – Details of the Commission's AI pilot to be circulated to Committee members.

12. Report on Board and SMT Expenses

Noted.

13. Review conditions attached to business case approvals

Nicola Fisher gave an update on business cases. Developments in relation to the accommodation and new digital forms projects were noted.

14. Audit recommendations implementation report

Noted.

15. DAO and FD letters summary

The Committee noted the overall update and in particular the new sustainability reporting guidance.

16. Report of Gifts and Hospitality register

Noted.

17. Fraud and Concerns about Commission report

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

18. AOB

No items were raised.

20. Issues for next meeting 8 September 2026

In addition to standing items:

- NIAO Report to Those Charged with Governance
- Committee self-assessment
- Meeting of members and Auditors without staff present
- Review Finance procedures (annual)
- DoF Annual Fraud Report
- Cyber Security Update

Meeting ended at 11.55am.

Audit & Risk Committee

Register of Outstanding Action Points

Committee Meeting and Action Point Number	Date Raised	Agenda Item	Action	Owners	Status
69 (1)	05/05/26	4	Amended draft accounts to be recommended to Board for approval.	HCorpS	Ongoing
69 (2)	05/05/26	4	Amended remuneration report to the recommended to Board for approval.	HCorpS	Ongoing
69 (3)	05/05/26	5	Amended draft governance statement to be recommended to Board for approval.	HCorpS	Ongoing
69 (4)	05/05/26	6	2026/27 Corporate Risk Register to be recommended to Board for approval.	HCorpS	Ongoing
69 (5)	05/05/26	7	Amended ARAC Committee Annual Report to be recommended to Board for approval.	HCorpS	Ongoing
69 (6)	05/05/26	8	Amended Internal Audit 2nd Assignment Report 2025/26 to be provided to the Board for information.	HCorpS	Ongoing
69 (7)	05/05/26	9	Internal Audit Annual Report 2025/26 to be provided to the	HCorpS	Ongoing

			Board for information.		
69 (8)	05/05/26	11	Details of the Commission’s AI pilot to be circulated to Committee members.	HCorpS	Ongoing