

**Minutes of Audit & Risk Assurance Committee Meeting No. 37
held on Tuesday 4 September 2018 at 10am 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
Joanna McConway, DfC VCD
Martin Ireland, DfC VCD
Tracey McCavigan, DfC Internal Audit
Eamonn O'Reilly, DfC Internal Audit
Laura McCullough, NI Audit Office
David McGurk, Finance & Admin Officer

Apologies: Peter O'Sullivan, NI Audit Office

The meeting commenced at 10am and after introductions the Chair welcomed Laura McCullough, NI Audit Office, as well as Joanna McConway and Martin Ireland DfC VCD.

1. Minutes of Meeting

The minutes of the Audit & Risk Assurance (A&RA) Committee meeting held on 8 May 2018, were agreed as a true and accurate record. Proposed by Séamus Magee and seconded by Norman Bennett.

AP1: Minutes of the meeting to be recommended to Board for approval

2. Conflicts of Interest

The Chair reminded everyone 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 noted he had been reappointed as a Commissioner.

4. Corporate Risk Register & Action Plan

The Head of Corporate Services introduced the Risk Register and indicated SMT was recommending a reduction in Risk 5 given additional in year resource and capital budget being made available by sponsor department. The committee noted in relation to Risk 7 the Board was awaiting appointment of two Commissioners, and in the meantime if any further Commissioners, left the Board could not legally make decisions. The proposed register was agreed, subject to minor amendment to risk 7, as proposed by Séamus Magee and seconded by Kieran Donaghy.

AP2: Revised register to be recommended to Board.

5. Internal Audit MOU and First Assignment 2018-19 TOR

Eamonn O'Reilly provided a summary of the MOU and highlighted key points. The Committee indicated its agreement the CEx sign the MOU document as Accounting Officer. Details of a supporting Data Sharing Agreement were also outlined by Internal Audit. The Committee indicated its agreement that the CEx sign the sharing agreement as Accounting Officer. Eamonn O'Reilly outlined plans for the first assignment developed after consultation with CEx. Following discussion, it was agreed to extend audit work to encompass the recent GDPR preparations and that field work would commence in late September.

AP3: Internal Audit MOU & Data Sharing Agreement to be signed by CEx

6. Cyber Security

The Head of Corporate Services provided an update to the Committee following the briefing at its previous meeting. This included an assessment against National Audit Office cyber risk assessment guidance and details of the position as regards assurances from third party suppliers including network and development support providers. Internal Audit undertook to clarify that the assurance provided by Department of Finance to all Departments using Enterprise Shared Services extended to ALBs, and the committee noted steps by the Chief Executive to sign off an MOU for ICT services and assurance needs with CCEW. It was agreed to progress a mapping of assurances and to include cyber security on the committee's agenda twice a year.

AP4: Internal Audit to clarify assurance provided by Department of Finance re Enterprise Shared Services extend to ALB's.

AP5: CEx to follow up MOU and assurance needs with CCEW.

AP6: Head of Corporate Services to undertake a mapping of assurances.

7. NIAO Report to Those Charged With Governance

Laura McCullough briefed the committee on the NIAO report noting the overall satisfactory audit opinion and one best practice recommendation. She commended the Commission for the performance of staff in preparing the audit file and efficiently completing procedures. Committee members welcomed and agreed with the positive comments on the performance of the finance team and agreed to circulate the report to all Commissioners.

AP7: Copy of NIAO report to be circulated to all board members.

8. Budget

Head of Corporate Services introduced the update based on spend to end of July. Potential for slippage in spend was noted and the Committee asked that managers take early decisions on staff training and programme-related spend. It was noted more up to date information would be provided to the September Board meeting.

9. Guidance on the Completion of Assurance Statements by ALBs.

Noted.

10. Meeting of Members and Auditors without staff present

The Chair asked both internal and external audit to update the Committee. Internal Audit indicated there was a very good and focused approach to assurance within the Commission, and noted management and staff were very cooperative and quick to respond to correspondence. External Audit noted the new Finance & Admin Manager had done a good job preparing the accounts having joined the organisation prior to their audit. While both sets of auditors were very happy with the cooperation of staff, potential improvements regarding procedures were discussed. NIAO indicated it would be liaising with the National Audit Office on how it deals with assurance in the Charity Commission for England & Wales.

11. Committee Self-Assessment

The Committee agreed to set a date to carry out self-assessment and the November meeting would consider a report on the exercise.

AP8: F&AO to arrange meeting of Committee members and the CEx to undertake a self-assessment exercise.

12. Audit recommendations implementation report

The Head of Corporate Services updated the Committee on progress regarding completed and outstanding recommendations. It was noted the 2nd Internal Audit assignment this year would include a review of previous recommendations and consideration would be given to the relevance of older recommendations in light of updating of various procedures.

13. DAO & FD letters summary

Noted.

16. Review conditions attached to Business case approvals

Noted.

15. Fraud and Whistleblowing report

Head of Corporate Services advised a suspected external fraud was being closed for lack of evidence.

16. AOB

Noted a review of Financial Procedures was being carried out and changes to procedures would be brought to a future meeting.

18. Issues for next meeting

NIAO 2018/19 Audit Strategy, Self-Assessment report, Review of Business Continuity Plan, Review of Whistleblowing Policy.

Next meeting scheduled for 27 November 2018.

Meeting ended at 10.55am

Audit & Risk Committee

Register of Outstanding Action Points

Committee Meeting and Action Point Number	Date Raised	Agenda Item	Action	Owners	Status
37 (1)	04/09/18	1	Minutes of the meeting to be recommended to Board for approval	HCorpS	Complete
37 (2)	04/09/18	4	Revised register to be recommended to Board	HCorpS	Complete
37 (3)	04/09/18	5	Internal Audit MOU & Data Sharing Agreement to be signed by CEX	CEX	Complete
37 (4)	04/09/18	6	IA to clarify assurance provided by Department of Finance re Enterprise Shared Services extends to ALB's.	IA	Underway
37 (5)	04/09/18	6	CEX to follow up MOU and assurance needs with CCEW.	CEX	Underway
37 (6)	04/09/18	6	Head of Corporate Services to undertake a mapping of assurances.	HCoS	Underway
37 (7)	04/09/18	7	Copy of NIAO report to be circulated to all board members.	FAO	Complete
37 (7)	04/09/18	11	F&AO to arrange meeting of Committee members and the CEX to undertake a self-assessment exercise.	FAO	Complete

30 (3)	15/11/16	7	A&RA involvement in Section 22 decisions to be part of wider Board discussion.	HCorpS	Underway
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