

**Minutes of Audit & Risk Assurance Committee Meeting No. 23  
held on Tuesday 9 September 2015 at 10.00 in the Charity  
Commission for Northern Ireland office in Lurgan.**

**Present:**

Norman Bennett, Chair  
Walter Rader, Commissioner  
Seamus Magee, Commissioner  
Kieran Donaghy (Independent Member)

**In Attendance:**

Frances McCandless, Chief Executive  
Sonya Breslin, Finance and Admin Manager  
Kathryn Jennett, Admin Officer  
Brian O'Neill, NIAO  
Brian Robinson, DSD URCDG  
Eamonn O'Reilly, DSD Internal Audit

**Apologies**

Lacey Walker, DSD Internal Audit  
Aubrey McCrory, Head of Corporate Services

At the outset the Chair welcomed everyone to the meeting and introduced himself as the new Chair of the Audit and Risk Assurance Committee.

**1. Minutes of Meeting**

The minutes of the Audit & Risk Assurance (A&RA) Committee meeting held on 12 May 2015 were proposed by Kieran Donaghy and seconded by Norman Bennett 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 welcomed everyone to the meeting and hoped that the Committee would continue the hard work that had been completed over the years. The Chair advised that he had met recently with Lacey Walker and Eamonn O'Reilly (DSD Internal Audit) and wished to meet again each year.

### **4. Risk Register**

The Chief Executive introduced the paper to the Committee and advised that risk 4 on the register has been increased by SMT due to the Department asking for reduction scenarios of 5%, 10% and 15% to the Commission's budget. The Committee were advised that a previous bid for additional spend had been successful, but as there will be no October Monitoring round the next opportunity to bid for finance will be January 2016. Clarification was sought on the implications to the Commission if the budget was cut, and the Chief Executive advised that the Commission would lose temporary staff and legal budgets would be squeezed. The Chief Executive indicated she would follow up with the sponsor branch, regarding the inclusion of CCNI's pressures in the overall Department's figures. In the meantime the planned ICT capital spend had been put on hold and the risk increased to take into account information from CCEW regarding strategic system developments.

**AP2: Chief Executive to contact the Department regarding the inclusion of CCNI's pressures in the overall Budget allocation.**

### **5. NIAO Report to those charged with Governance**

Brian O'Neill, Northern Ireland Audit Office (NIAO), introduced the paper to the Committee and advised that the Commission's report had no issues, and paid tribute to the Finance staff in preparing the accounts. A clean audit opinion was given and the accounts had been laid in the Assembly on 27 May 2015. The Committee expressed their thanks to all staff involved with preparing the accounts.

### **6. Internal Audit update on first assignment**

Eamonn O'Reilly, Internal Audit, introduced the paper to the Committee advising that the terms of reference had been agreed with the Chief Executive prior to the audit assignment that began on Monday 7 September 2015. This is looking at registration processes and controls.

Following agreement of the terms of reference the next assignment will commence in the final quarter of 2015 and will look at IT, Finance and payroll.

**7. Audit recommendations implementation report**

The Chief Executive updated the Committee on completed recommendations in the report, advising that the one outstanding recommendation is underway. The Committee were pleased that all other issues and recommendations had been completed.

**8a Budget July Month end**

The Chief Executive introduced the report to the Committee and advised that capital expenditure of £40k had been confirmed to deliver the ICT Strategy, and a further in year bid had been submitted for building enhancement to make it fit for purpose. Following discussion, the committee expressed their concern with the small training budget that was available.

**8b Budget Review and estimating position**

The Chief Executive introduced the paper to the Committee and noted that budget cuts raise questions as to how the main regulatory functions of the Commission can be implemented. The Chief Executive advised the Committee that currently Staff Resourcing Unit (SRU) are analysing processes and staff resources, in order to submit a robust report that the Commission can use as part of its strategic plan and budgeting processes.

**9. Update on ICT strategy**

The Chief Executive introduced the paper to the Committee, and highlighted a number of related issues that are emerging as significant risks to the Commission. Currently CCNI obtains ICT services from 2 providers, 'IT Assist' and the Charity Commission for England and Wales (CCEW). The latter provide development and support to the online registration process. Recent discussions suggest CCEW are in the early stages of making significant changes to the direction of its ICT development programmes which would have major implications for CCNI systems. CCEW are committed to developing an entirely new on line service for the charity sector which could have an impact on CCNI's current and future on line services. CCEW have indicated they will continue to support CCNI under the existing Memorandum of

Understanding (MOU), which runs till March 2016, CCEW would be willing to extend the MOU, and it was noted that the Commission would also be keen to extend arrangements.

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

Noted.

**11. Quarterly Assurance Statement**

The Chief Executive introduced the paper to the Committee, who noted it.

**12. Committee Self –Assessment**

The Chair advised the Committee of the Self Assessment exercise that all members will carry out. A date and time will be agreed with all members.

**AP3: Dates to be arranged for members to carry out self assessment exercise**

**13. DAO Letters summary**

Noted

**14. Meeting of members and Auditors without staff present**

Staff left the meeting and external and internal auditors assured committee members of the high quality of working papers and the overall financial processes. Committee members were very complimentary of the good work undertaken by Commission staff.

**15. AOB**

Eamonn O'Reilly provided an update on a recent DSD Assurance Mapping event and undertook to circulate papers to the Committee.

**AP4: Assurance mapping papers to be circulated to the Committee**

**16. Issues for next meeting 17 November 2015**

NIAO Audit Strategy for year ended 31 March 2016  
Summary Self Assessment

Internal Audit 1<sup>st</sup> assignment report  
Standing items

The meeting ended at 11:25

## 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> |
|--|--------------------|---|---|-----------------|---------------|
| 23 (6)   | 10/02/2015         | Internal Audit report on 1 <sup>st</sup> Assignment | Additional assurance checks on investigations to be introduced.   | HCE             | Complete      |
| 25 (1)   | 9/9/15             | Minutes of Meeting                                  | Minutes of the meeting to be recommended to the Board   |                 | Complete      |
| 25 (4)   | 9/9/15             | Risk Register                                       | Chief Executive to contact the Department regarding the inclusion of CCNI's pressures in the overall Budget | CEx             | Complete      |
| 25 (12)  | 9/9/15             | Committee Self Assessment                           | Dates to be arranged for members to carry out self Assessment exercise                                      | Kathryn         | Complete      |
| 25 (15)  | 9/9/15             | AOB   | Assurance mapping papers to be circulated to the Committee  | Eamonn O'Reilly | Complete      |