

**Minutes of Audit & Risk Assurance Committee Meeting No. 59  
Held on Tuesday 12 March 2024 at 09.30am  
Via Video Conference**

**Present:**

Hugh McKeag, Commissioner (Chair)  
Terence McGonigal, Commissioner  
Alan Hunter, Commissioner  
Caron Alexander, Independent committee member

**In Attendance:**

Frances McCandless, Chief Executive  
Aubrey McCrory, Head of Corporate Services  
Ciara McCann, Admin Officer (Minutes)  
Curtis Fleming, Northern Ireland Audit Office  
Amanda McMaw, (ASM Chartered Accountants - External Auditors)  
Michael Woods, DfC Internal Audit  
Peter Murchan, DfC Internal Audit  
Colleen Bell, DfC Voluntary and Community Division (observer)

**Apologies:**

None

The meeting commenced at 09.30 am.

**1. Minutes of Meeting No 58**

The minutes of the Audit & Risk Assurance (A&RA) Committee meeting number 58 held on 20 November 2023 were previously agreed by correspondence and published by the November Board. The Head of Corporate Services gave an update on action items.

**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 noted the reappointment of Caron Alexander as a committee member and welcomed Amanda McMaw to the meeting. It was noted the scope of the second internal audit assignment had been amended and agreed and the committee Chair and the Chief Executive had met with Internal Audit to discuss the 2024/25 audit plan. Finally, the Chair highlighted the implications of the 2023 pay offer on the Commission's current budget position would be explored under agenda item 17.

### **4. Review of risk management policy & appetite for 24/25 Business Plan**

The Head of Corporate Services introduced review highlighting updating of the Treasury Orange book and several minor changes to the policy were outlined. Suggestions for developing risk reporting were noted and further discussion will take place. The committee were briefed on the initial risk appetite identified for the 2024/25 Business Plan and noted a shift to a higher appetite for risk as an enabling regulator. Two examples of the outworking of a high appetite in registration and enquiry work were examined and it was agreed to discuss regulatory risk further at the May Board meeting. The amended policy and risk appetite were agreed as proposed by Terence McGonigal and seconded by Alan Hunter.

**AP1 – Head of Corporate Services and Terence McGonigal to discuss approaches to develop proportionate risk reporting.**

**AP2 – Risk management policy & appetite for 2024/25 Business Plan to be recommended to the Board.**

### **5. Review of Finance Procedures**

The Head of Corporate Services introduced review and changes to address audit recommendations, experience of operating electronic ways of working and a significant increase in delegated spend limits. The Chief Executive confirmed sponsor team were content that her authorisation limit should be increased to the EU Threshold for contracting at this time. Following discussion of the current asset register a separate inventory of IT Assist items will be kept. The Commission's banking arrangements including corporate credit card were outlined and the Committee recognised the benefits of a single supplier with integrated on line banking arrangement. Following discussion, the revised procedure was agreed, subject to minor

amendment, as proposed by Caron Alexander and seconded by Terence McGonigal.

**AP3 – Revised finance procedures to be recommended to the Board.**

## **6. Review of Fraud & Bribery Policy & Assessment**

The Head of Corporate Services outlined details of a recent staff briefing on the policy and highlighted a minor change proposed to the assessment. Following discussion it was agreed to recommend the outcome of the review to the Board as proposed by Alan Hunter and seconded by Terence McGonigal.

**AP4 – Review of fraud and bribery policy and assessment to be recommended to the Board.**

**AP5 – Further training for staff and Commissioners on fraud, bribery and money laundering to be arranged.**

## **7. Review Committee TOR**

The Chair introduced the current terms of reference and a number of minor amendments were agreed, including responsibility for agreeing internal audit plans, as proposed by Terence McGonigal and Caron Alexander.

**AP6 – Revised committee terms of reference to be recommended to the Board.**

## **8. Internal Audit Plan 2024-25**

Micheal Woods highlighted the overall risk-based approach to developing the audit plan and Peter Murchan gave an overview of the areas to be covered. The Committee noted the extremely positive results from the recent external Board assessment. Following discussion, it was agreed to recommend the 2024/25 audit plan to the Board as proposed by Caron Alexander and seconded by Terence McGonigal.

**AP7 – Internal Audit Plan 2024-25 to be recommended to the Board.**

## **9. NIAO Audit Strategy 2023/24**

The Chair noted NIAO had appointed ASM to undertake the Commission's external audit. Amanda McMaw introduced the external audit strategy for 2023/24. The Committee confirmed there were no frauds or issues of irregularity during the year. Details for the thresholds for materiality and error reporting were noted and the timetable for NIAO producing a draft report to those charged with governance for the June Board was confirmed.

**AP8 – NIAO Audit Strategy to be forwarded to the Board for information.**

**10. Corporate Risk Register & Action Plan Deep dive Risk 7**

The Chief Executive introduced the updated register and outlined the basis for a series of decreases to risks 2, 3, 4 and 5 and an increase to risk 7. Following discussion the risk register was agreed for recommendation to the Board as proposed by Caron Alexander and seconded by Terence McGonigal.

**AP9 – Corporate Risk Register to be recommended to the Board.**

**11. Assurance Statement**

The Chief Executive introduced the statement which covered the second half of 2023/24 and highlighted a number of comments. A number of issues were highlighted including a direct award. The Committee were content to recommend the statement to the Board as proposed by Caron Alexander and seconded by Terence McGonigal.

**AP10 – Assurance Statement to be recommended to the Board.**

**12. Cyber Security update**

The Committee noted the cyber update and its overlap with a deep dive into risk seven in the corporate register. Information & Communication Technology (ICT) developments and assessments completed since the last update were discussed. Caron Alexander indicated she was reassured by the approach and steps being taken to minimise information and cyber security risks.

**AP11- Head of Corporate Services to follow up with IT assist account manager regarding access to assurance dashboard.**

**13. Internal Audit Assignment 2 report**

Peter Murchan gave a verbal update on the assignments progress and initial conclusions noting there were no significant findings or anything relevant to the assurance statement. The Committee noted the report will come to the May meeting along with Internal Audits annual assurance report.

**14. Review conditions attached to business case approvals**

Noted.

**15. Audit recommendations implementation report**

The Committee noted all outstanding recommendations were cleared.

**16. DAO and FD letters summary**

Noted.

**17. Budget**

The Head of Corporate Services outlined the spend from the end of January and the committee discussed the implications of the 2023 salary offer which created an overall pressure. It was noted sponsor department had asked for this to be reflected in the February month end consumption report so that budget cover would be made available before year end. Although the amount of next year’s budget cannot yet be confirmed, sponsor department have confirmed to the Chief Executive that the Commission will have a budget and therefore can be considered as a going concern.

**AP12 – Head of Corporate Services to circulate updated monthly expenditure report.**

**18. Fraud and Whistleblowing report**

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

**19. AOB**

None

**20. Issues for next meeting 14 May 2024**

- Draft Accounts 2023/24
- Draft Governance Statement
- Draft 2024/25 Corporate Risk Register & Action Plan
- A&RA Committee Annual Report
- A&RA Committee schedule
- Internal Audit 2<sup>nd</sup> Assignment report
- Internal Audit Year-End Report 2023/24
- Annual Expenditure Report 2023/24
- Draft Budget 2024/25

Meeting ended at 11.20am.

## 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>
59 (1)	12/03/24	4	Head of Corporate Services and Terence McGonigal to discuss approaches to develop proportionate risk reporting.	HoCS	Underway
59 (2)	12/03/24	4	Risk management policy & appetite for 2024/25 Business Plan to be recommended to the Board.	HoCS	Complete
59 (3)	12/03/24	5	Revised finance procedures to be recommended to the Board.	HoCS	Complete
59 (4)	12/03/24	6	Review of fraud and bribery policy and assessment to be recommended to the Board.	HoCS	Complete
59 (5)	12/03/24	6	Further training staff and Commission on fraud, bribery and money laundering to be arranged.	HoCS	Underway
59 (6)	12/03/24	7	Revised committee terms of reference to be	HoCS	Complete

			recommended to the Board.		
59 (7)	12/03/24	8	Internal Audit Plan 2024-25 to be recommended to the Board.	HoCS	Complete
59 (8)	12/03/24	9	NIAO Audit Strategy to be forwarded to the Board for information.	HoCS	Complete
59 (9)	12/03/24	10	Corporate Risk Register to be recommended to the Board.	HoCS	Complete
59 (10)	12/03/24	11	Assurance Statement to be recommended to the Board.	CEX	Complete
59 (11)	12/03/24	12	Head of Corporate Services to follow up with IT assist account manager regarding access to assurance dashboard.	HoCS	Underway
59 (12)	12/03/24	17	Head of Corporate Services to circulate updated monthly expenditure report.	HoCS	Complete
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