

**Minutes of Audit & Risk Assurance Committee Meeting No. 52
Held on Tuesday 10 May 2022 at 9.30am via Video Conference**

Present:

Séamus Magee, Commissioner (Chair)
Gerard McCurdy, Deputy Chief Commissioner
Alan Hunter, Commissioner
Caron Alexander, Independent Member

In Attendance:

Frances McCandless, Chief Executive
Aubrey McCrory, Head of Corporate Services
David McGurk, Finance & Admin Officer (Minutes)
Nicola Fisher, Finance & Admin Manager (item 7)
Catherine O'Hagan, NI Audit Office
Curtis Fleming, NI Audit Office
Peter Murchan, DfC Internal Audit
Maria Curry, Board Apprentice

Apologies:

Tracey McCavigan, DfC Internal Audit

The meeting commenced at 9.30am.

1. Minutes of Meeting No 51

The minutes of the Audit & Risk Assurance (A&RA) Committee meeting number 51 held on 1 March 2022 were agreed as a true and accurate record, subject to minor amendment, as proposed by Alan Hunter and seconded by Caron Alexander. Action points were reviewed and progress was noted.

AP1: Amended minutes of meeting No 51 to be recommended to Board for approval.

2. Conflicts of Interest

Caron Alexander highlighted her name was included in the application to register as a charity by the Northern Ireland Civil Service Sports Association. The Committee agreed this was not a specific conflict but it was noted.

3. Chair's Comments

The Chair welcomed Maria Curry to her first meeting of the Committee as Board Apprentice. The Chair highlighted a recent meeting with Internal Audit to discuss the Internal Audit Plan for 2022/23 and thanked everyone involved for their input. The Chair also highlighted a meeting with a representative of Department for Communities (DfC) Governance team who outlined their new risk management approach and that this will be an ongoing issue for development for some time.

4. Review of the Risk Management Policy and Assurance framework

The Head of Corporate Services highlighted the Treasury's updating of the Orange Book on Risk Management and detailed the review conclusions. A series of proposed changes were outlined, including developing strategic high level risks and reflecting on failing to respond to opportunities. Following discussions it was decided to hold a workshop session later in the year to further discuss risk management as DfC's approach was further developed. Updates to the risk management policy and Assurance framework were agreed as proposed by Caron Alexander and seconded by Gerard McCurdy.

AP2: Updated Risk Management Policy and Assurance framework to be recommended to Board for approval.

5. Draft 2022/23 Corporate Risk Register & Action Plan

The Chair noted the draft 2022/23 Business Plan had been circulated to the Committee for information and introduced the draft register which reflected risk issues identified during staff business plan sessions. During discussion a series of additions and amendments were outlined. Overall the Committee were content the draft register reflected the main risk areas and it was agreed for recommendation to the Board as proposed by Caron Alexander and seconded by Alan Hunter.

AP3: Draft 2022/23 Corporate Risk Register to be recommended to Board for approval.

6. Review of Fraud & Bribery

Committee noted the review of the Fraud & Bribery policy identified one update to the assessment and it was agreed to recommend the outcome to the Board as proposed by Gerard McCurdy and seconded by Caron Alexander.

AP4: Outcome of Fraud & Bribery Policy review to be recommended to Board for approval.

7. Draft Accounts 2021/22

Nicola Fisher joined the meeting 10.15am

The Chair welcomed Nicola Fisher to the meeting. Details of the basis of the accounts preparation and an overview of the financial position and cash flows was provided. Committee members discussed the revenue report and financial statements, in particular the breakdown of expenditure and supporting notes. Prior year comparisons were highlighted, in particular the reduction in legal provisions and increase in costs associated with the new office location. The Committee noted the impact of simplified disclosures in line with financial reporting guidance.

The Committee thanked Nicola and colleagues for their work on preparing the draft accounts which were agreed for recommendation to the Board, subject to minor amendment, as proposed by Gerard McCurdy and seconded by Caron Alexander.

An explanation of expenditure information in the year end management accounts (agenda item 14) and link to the financial statements was provided.

Nicola Fisher left the meeting at 10.50am.

AP5: Amended draft accounts to be recommended to Board for approval.

8. Draft Governance Statement

Chief Executive introduced the Draft Governance Statement and highlighted a range of areas covered. A number of suggestions were made by Committee members, Northern Ireland Audit Office (NIAO) and Internal Audit (IA) and it was agreed the draft statement, subject to amendment, will be brought to the next Board meeting as proposed by Gerard McCurdy and seconded by Caron Alexander.

AP6: Amended draft Governance Statement to be recommended to Board for approval.

9. A&RA Annual Report

A&RA Annual Report was reviewed and was agreed, subject to minor amendment, as proposed by Gerard McCurdy and seconded by Caron Alexander.

AP7: A&RA Annual Report to be shared with the Board.

10. A&RA Committee schedule

A&RA Committee schedule was agreed, subject to minor amendment, as proposed by Alan Hunter and seconded by Caron Alexander.

11. Internal Audit Plan 2022/23

The Chair introduced the 2022/23 Plan and noted this is the final year of the four year strategic Internal Audit plan. The Committee noted as in previous years they can amend the plan in response and noted that the areas raised by the Chair of the HR Committee had been included for audit as proposed by Gerard McCurdy and seconded by Alan Hunter.

AP8: Internal Audit Plan 2022/23 to be recommended to Board for approval.

12. Internal Audit 2nd Assignment Report 2021/22

The Committee noted the report included a satisfactory rating and absence of priority one recommendations. The Committee noted one of the areas audited completed and action within the action plan resulting from the review of Counsel of two previous statutory enquiries.

13. Internal Audit Year-End Report 2021/22

Internal Audit Report was noted by the Committee as very positive and with no priority one recommendations.

14. Budget

The Committee noted the overall positions at year end of 99.2% resource and 100% of capital budget spent, subject to audit and finalisation. Budget spend proposals for 2022/23 were discussed. The committee noted sponsor team were undertaking a review of additional Commissioner days and, while this was underway, had approved and provided budget cover for related spend only in quarter one. The potential for future budget pressures from quarter 2 onward arising from review recommendations were noted.

15. Report on SMT and Board Expenses

Report was noted.

16. Review Conditions attached to Business case approvals

Report was noted.

17. Audit recommendations implementation report

Noted all previous recommendations were cleared.

18. DAO and FD letters summary

Noted.

19. Fraud and Concerns about Commission report

Nothing to report.

20. AOB

No items raised.

21. Issues for next meeting 13 Sept 2022

- NIAO Report to Those Charged with Governance

- Committee self-assessment
- Meeting of members and Auditors without staff present
- Review Finance procedures (annual)
- Review information security policy (2022)
- DoF Annual Fraud Report
- Cyber security Update

Meeting ended at 11.45am.

Audit & Risk Committee

Register of Outstanding Action Points

Committee Meeting and Action Point Number	Date Raised	Agenda Item	Action	Owners	Status
52 (1)	11/05/22	1	Amended minutes of meeting No 51 to be recommended to Board for approval.	HCORPS	Complete
52 (2)	11/05/22	4	Updated Risk Management Policy and Assurance framework to be recommended to Board for approval	HCORPS	Complete
52 (3)	11/05/22	5	Draft 2022/23 Corporate Risk Register to be recommended to Board for approval.	HCORPS	Complete
52 (4)	11/05/22	6	Outcome of Fraud & Bribery Policy review to be recommended to Board for approval.	HCORPS	Complete
52 (5)	11/05/22	7	Amended draft accounts to be recommended to Board for approval.	CEx	Complete
52 (6)	11/05/22	8	Amended draft Governance Statement to be recommended to Board for approval.	CEx	Complete
52 (7)	11/05/22	9	A&RA Annual Report to be shared with the Board.	CEx	Complete

52 (8)	11/05/22	11	Internal Audit Plan 2022/23 to be recommended to Board for approval.	CEx	Complete
51 (2)	01/03/22	3	NIAO Fraud Risk Guidance and the related check list added to agenda at September's meeting.	CEx	Underway
50 (6)	18/11/21	14	From May 2022 the committee's corporate risk register standing agenda item to include a drill down into one risk.	Chair	Complete
49 (6)	11/05/21	10	Internal Audit to share network security assurances with the Commission.	Internal Audit	Underway