

**Minutes of Audit & Risk Assurance Committee Meeting No. 24  
held on Wednesday 18 November 2015 at 10.00am 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  
Aubrey McCrory, Head of Corporate Services  
Kathryn Jennett, Admin Officer  
Dorinnia Carville, NIAO  
Eamonn O'Reilly, DSD Internal Audit  
Chris Barry, DSD Internal Audit

**Apologies**

Lacey Walker, DSD Internal Audit

**1. Minutes of Meeting**

The minutes of the Audit & Risk Assurance (A&RA) Committee meeting held on 9 September 2015 were proposed by Seamus Magee and seconded by Walter Rader 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 advised that he had attended the NICVA event on accounting regulations in September, which had been very worthwhile and informative.

The Chair also attended the Departmental Audit & Risk Forum chaired by Roy Keenan (DSD) which included an open discussion with Andrew Hamilton (DSD Permanent Secretary), followed by a presentation from Michelle Anderson (Group Head of Internal Audit) which covered the need for Boards to be more accepting of risk and managing it in the environment of reducing resources.

#### **4. Risk Register**

The Head of Corporate Services introduced the register noting it had been reviewed by SMT on 15 November 2015, and there were no recommendations to adjust risk levels. The committee acknowledged the actions completed. In relation to risk 4 - Failure to have necessary resources, it was noted the Board had decided we may have to choose not to meet the target on calling forward organisations for registration. However, a key development on progressing ICT systems offset this set back, meaning the overall risk level was unchanged. It was agreed the risk assessment should indicate that the Board had agreed to intentionally miss the key business plan target on organisations called forward to register at this time and that this had been communicated to the Department. The risk register was agreed subject to minor amendment as proposed by Kieran Donaghy and seconded by Seamus Magee

#### **AP2: Additional text to be added to risk 4 regarding the intention to miss a key business plan target**

#### **5. Internal Audit first assignment report**

Eamonn O'Reilly, Internal Audit, introduced the report on the first audit assignment which covered Registration, Risk Management, Business Continuity and Section 96. The Committee noted the overall opinion was satisfactory regarding the management controls in place and robust procedures. A number of minor recommendations had been made, covering issues such as testing and recording. In relation to Section 96 it was noted one quality review check had not been completed and management had agreed to review the ratio and timing of checks. The Committee expressed satisfaction with the report and asked that the second phase assignment be completed in advance of the Committee's February 2016 meeting. Eamonn advised that Lacey Walker (Head of DSD Internal Audit) would like to meet with the Chair and CEO in January 2016 and that a new three year audit strategy would be tabled at the next meeting.

#### **AP3: Schedule meeting with Lacey Walker, Chair and CEO**

#### **AP4: Internal Audit to prepare draft 2016-19 audit strategy**

**6. NIAO audit strategy**

Dorinnia Carville, NIAO, introduced the 2015/16 audit strategy to the Committee highlighting the approach and noting there were no areas of significant risk to be assessed. The Committee noted the timetable, notional charge of £10,500 for external audit, and that Peter O’Sullivan would be taking over as Audit Manager.

**7. Audit recommendations implementation report**

The Head of Corporate Services updated the Committee on recommendations completed since the last report. Several new recommendations arising from the first phase of the 2015/16 audit were noted by the Committee.

**8. Review of Business Continuity Plan**

The Head of Corporate Services introduced an updated plan to the Committee. This identified a series of risks to the normal running of the Commission’s business operations, and arrangements to minimise and manage their impact, if they should arise. The Committee noted rehearsal scenarios for testing the plan had been developed and templates to document testing and incidents further developed. Following discussion, it was agreed to include the Chair of the Board in the list of those alerted when a major issue arose and several risks were adjusted. Subject to amendment, the plan was agreed for recommendation to the Board following proposal by Kieran Donaghy and Seamus Magee.

**AP5: Amended Business Continuity plan to be recommended to the Board for approval.**

**9. Consideration of new assurance framework**

The Chief Executive introduced the paper on assurance framework development to the Committee, who were content to wait for further advancement of a framework by the Department.

**10. Schedule of relevant policies for review**

The Chief Executive advised that during the self-assessment exercise in September 2015, committee members identified the need to develop a schedule of policies for review linked to their terms of reference and remit within the Corporate Governance framework. The Head of Corporate Services proposed a timetable which was agreed following proposal by the chair and seconding by Walter Rader.

**AP6: Policies to be added to various forthcoming committee agenda.**

**11. Budget**

The Head of Corporate Services introduced the October budget update to the Committee which welcomed the amended traffic lighting on spend versus budget. Following discussion of various areas of planned programme spend the committee raised the need for plans to spend down by year end, and that provisions needed to be identified at the earliest point and managed in terms of business cases where appropriate. The Committee noted the position on treatment of dilapidation costs if the Department were to move the Commission from its current premises.

**12. Report on recent Test drill exercise**

The Chair introduced the report by DSD Economics branch to the Committee and noted the very positive details regarding the Commission's systems and approach.

**13. Report on self-assessment exercise**

The Chief Executive outlined various conclusions arrived at by the committee during its self assessment in October 2015. The Committee noted this was a very useful exercise and also noted the recommendations.

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

Noted.

**15. Quarterly Assurance Statement**

The Chief Executive introduced the statement to the Committee, who noted the comments made in Section 2 in relation to budget scenarios impacting on registration work.

**16. DAO Letters summary**

Noted

**17. AOB**

Dorinnia Carville, NIAO, advised that Denver Lynn, NIAO, had written to the Department for Social Development regarding a value for money marking exercise to be carried out on the Commission. NIAO will formally inform the Chief Executive if they then intend to proceed

with a full study, otherwise there will be no outworkings of the marking exercise. The NIAO guide 'Managing fraud risk in a changing environment' was highlighted and copies were made available to committee members along with a self assessment checklist. The Chief Executive advised that staff would look at the fraud checklist and report back to the February meeting.

**AP5: CCNI to consider the fraud checklist provided by NIAO and report to Committee in February 2016.**

**18. Issues for next meeting 9 February 2016**

Fraud Policy

Audit Strategy/plan – Verbal update

Risk Register

Risk Appetite

Internal Audit verbal update on 2<sup>nd</sup> phase assignment

NIAO update of strategy

The meeting ended at 11:15

**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>
24 (1)	18/11/15	Minutes of Meeting	Minutes of the meeting to be recommended to the Board for approval	HCE	Underway
24 (2)	18/11/15	Risk Register	Additional Text to be added to risk 4 regarding the intention to miss a key business plan target	HCE	Complete
25 (3)	18/11/15	Internal Audit first assignment report	Schedule meeting with Lacey Walker, Chair and CEO	Internal Audit	Underway
25 (4)	18/11/15	Internal Audit first assignment report	Internal Audit to prepare draft 2016-19 audit strategy	Eamonn O'Reilly	Underway
25 (5)	18/11/15	Review of Business Continuity Plan	Amended Business Continuity plan to be recommended to the Board for approval	HCorpS	Complete
25 (6)	18/11/15	Schedule of relevant policies for review	Policies to be added to various forthcoming committee agenda	HCorpS	Underway