

**Minutes of Audit & Risk Assurance Committee Meeting No. 39
held on Tuesday 26 February 2019 at 2pm 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
Tracey McCavigan, DfC Internal Audit
Eamonn O'Reilly, DfC Internal Audit
Peter O'Sullivan, NI Audit Office
David McGurk, Finance & Admin Officer

Apologies: Joanna McConway, DfC VCD, Martin Ireland, DfC VCD

The meeting commenced at 2pm and the Chair welcomed all to the meeting.

1. Minutes of Meeting

The minutes of the Audit & Risk Assurance (A&RA) Committee meeting held on 10 December 2018, were agreed as a true and accurate record. Proposed by Séamus Magee and seconded by Kieran Donaghy.

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

2. Conflicts of Interest

No declarations were made in relation to this meeting.

3. Chair's Comments

The Committee noted the Commission was still awaiting relocation plans and an update on appointment of new Commissioners from sponsor department.

4. Risk Register

The Head of Corporate Services introduced the register and highlighted a proposed change to Risk 5 in light of new system development being delayed by CCEW and continuing efforts to obtain reasonable and proportionate assurances from key suppliers. Tracey McCavigan updated the committee that assurances from Enterprise Shared Services to departments can be shared and relied on by ALBs. Steps taken following a recent software update which resulted in a small number of erroneous emails being issued were outlined and lessons learnt were noted. Following discussion the proposed Risk Register was agreed, subject to minor amendment, as proposed by Séamus Magee and seconded by Norman Bennett.

AP2: Risk Register to be recommended to Board following minor amendment.

5. Risk appetite for new Business Plan and Risk policy in context of Transformation project.

The Head of Corporate Services outlined the background to and conclusions of a review of the Commission's current Risk Policy. Committee members discussed amending the Commission's approach to be in line with the sponsor department's risk terminology and categorisation. In relation to the format of the register and scoring of risks, Internal Audit confirmed the Commission's current approach is working and follows Treasury's Orange book approach. Details of proposed changes to various risk appetites were discussed and it was noted a draft risk register to support the 2019/20 business plan would be discussed by the committee at its next meeting in May.

Committee members agreed to adopt the new risk appetite framework and to recommend to Board the Commission adopt new risk terminology and categorisation with relevant sub headings, but to continue with the existing register format, as proposed by Séamus Magee and seconded by Norman Bennett.

AP3: Changes to risk policy to be recommended to Board

AP4: Risk appetite for 2019/20 business plan to be recommended to Board

AP 5: draft risk register to support the 2019/20 business plan to be developed at next A&RA ctte meeting.

6. Review of Committee Terms of Reference

The Committee discussed a number of minor changes relating to; the annual meeting with auditors, including cyber security on the agenda, and keeping governance policies under review. It was agreed to recommend the amended terms of reference to the Board as proposed by Kieran Donaghy and seconded by Norman Bennett.

AP6: Minor changes to Terms of Reference to be recommended to Board

7. Report from Internal Audit on Assignment 1 and TOR for Assignment 2

Eamonn O'Reilly introduced the report on Assignment 1 and confirmed overall controls in the audited areas were adequate and operating effectively and Internal Audit gave an overall satisfactory audit opinion. The Committee discussed a number of the findings and recommendations and the Chief Executive provided an explanation of management's responses. Following a query from committee members Internal Audit agreed to make a minor amendment to the report. Eamonn O'Reilly gave a verbal update on Assignment 2 fieldwork, indicating no issues of any note had been identified to date. It was agreed to recommend the Assignment 1 report to Board, subject to minor amendment, as proposed by Séamus Magee and seconded by Norman Bennett.

AP 7: Internal Audit Assignment 1 report to be amended and recommended to Board.

8. Review of Fraud policy and bribery risk assessment

The Head of Corporate Services introduced the results of the review which concluded no changes were needed at this time. Following discussion of supporting information the committee agreed to recommend the review to the Board as proposed by Séamus Magee and seconded by Kieran Donaghy.

AP 8: Review of Fraud policy and bribery risk assessment to be recommended to Board

9. NIAO update on 9 month accounts check

Peter O'Sullivan highlighted NIAO's progress and the Committee noted there were no issues to report and all work was on target and in order.

10. Audit recommendations implementation report

The Head of Corporate Services updated the Committee on progress regarding completed and outstanding recommendations. The Committee noted a series of current recommendations were scheduled for completion in Quarter 1 – 2019/20.

11. Review of conditions attached to Business Case approvals

Noted.

12. DAO & FD letters summary

Noted.

13. Budget

The Head of Corporate Services introduced the update on spend to end of January 2019. A briefing was provided on surrender of capital, and officers agreed to bring forward proposals for increased reporting on business plan budgeting on quarterly basis following a suggestion by the Chair.

AP 9: mechanism for increased reporting on business plan budgeting on quarterly basis to be identified.

14. Fraud and Whistleblowing report

Noted.

15. AOB

None.

16. Issues for next meeting

Next meeting scheduled for 7 May 2019.

Meeting ended at 3.20pm

Audit & Risk Committee

Register of Outstanding Action Points

Committee Meeting and Action Point Number	Date Raised	Agenda Item	Action	Owners	Status
39 (1)	26/02/19	1	Minutes of the meeting to be recommended to Board for approval	HoCS	Complete
39 (2)	26/02/19	4	Risk Register to be recommended to Board following minor amendment	HoCS	Complete
39 (3)	26/02/19	5	Changes to risk policy to be recommended to Board	HoCS	Complete
39 (4)	26/02/19	5	Risk appetite for 2019/20 business plan to be recommended to Board	HoCS	Complete
39 (5)	26/02/19	5	draft risk register to support the 2019/20 business plan to be developed for next A&RA ctte meeting.	HoCS	Underway
39 (6)	26/02/19	6	Minor changes to Terms of Reference to be recommended to Board	HoCS	Complete
39 (7)	26/02/19	7	Internal Audit Assignment 1 report to be amended and recommended to Board.	HoCS	Complete
39 (8)	26/02/19	8	Review of Fraud policy and bribery risk assessment to be recommended to	HoCS	Complete

			Board		
39 (9)	26/02/19	13	mechanism for increased reporting on business plan budgeting on quarterly basis to be identified.	HoCS	Underway
38 (8)	10/12/18	10	CEX to arrange external input for the next September meeting 2019.	CEX	Underway
30 (3)	15/11/16	7	A&RA involvement in Section 22 decisions to be part of wider Board discussion.	HCorpS	Underway