

**Minutes of Audit & Risk Assurance Committee Meeting No. 41
held on Tuesday 10 September 2019 at 9.30am in the Charity
Commission for Northern Ireland office, Lurgan**

Present:

Séamus Magee, Commissioner (Chair)
Kieran Donaghy, Commissioner

In Attendance:

Frances McCandless, Chief Executive
Aubrey McCrory, Head of Corporate Services
Catherine O'Hagan, NI Audit Office
Eamonn O'Reilly, Department for Communities (DfC) Internal Audit
Katrina McAlea, Department for Communities (DfC) Internal Audit
David McGurk, Finance & Admin Officer (Minutes)

Apologies: Gerald McCurdy, Deputy Chief Commissioner
Tracey McCavigan DfC Internal Audit, Joanna McConway, DfC Voluntary &
Community Division (VCD), Martin Ireland, DfC VCD, Colleen Bell, DfC VCD

The meeting commenced at 9.30am

1. Minutes of Meeting No 40

The minutes of the Audit & Risk Assurance (A&RA) Committee meeting number 40 held on 7 May 2019, were agreed as a true and accurate record as proposed by Séamus Magee and seconded by Kieran Donaghy.

AP1: Minutes of meeting No 40 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 Chair provided an update on the recruitment of the new Chief Commissioner, Nicole Lappin, and two new Commissioners, Carmel Mullan and Hugh McKeag. It was noted this would allow the A&RA Committee to be reconstituted. An update on the premises move was

provided and the committee noted the Department was awaiting costings for the new plans before a business case could be prepared.

4. Risk Register

The Chair introduced the draft register and highlighted the one extreme high risk. Committee members noted Schedule 1 committee meetings were taking place for prioritised decision making, but lack of capacity meant the normal number of decisions could not be made across a range of work including registration. Following a query a number of communication initiatives with the charity sector to ensure understanding of continuing legal obligations on charities and trustees were outlined. The Committee discussed developments in Information & Communication Technology (ICT) support and in light of the reduced inherent assessment of risk 2 ie the resilience of current ICT systems, the Committee agreed to recommend the draft risk register to the Board, as proposed by Séamus Magee and seconded by Kieran Donaghy.

AP2: Draft Risk Register to be recommended to Board.

5. Budget

The Committee noted the August 2019 budget update and anticipated spend to year end relating to schedule 1 meetings. The Head of Corporate Services outlined an initial in year allocation to address pressures in staff costs related to increased central pension contributions and annual security costs. Further bids would be made to address emerging pressures across a number of areas. Queries were addressed in relation to capital spend plans and the impact of delays in progressing ICT development work in late 2018/19. It was noted an assessment was being made of the impact of the May High Court decision on current ICT development plans, which could lead to some work being delayed into 2021/22.

6. 2018/19 NIAO Report to Those Charged with Governance

Catherine O'Hagan from the Northern Ireland Audit Office (NIAO) introduced the report, which included an unqualified opinion. She thanked Commission staff for their good work in producing a very clean audit. Various aspects of the NIAO report were highlighted. The Committee noted no actions or adjustments were needed and congratulated staff for their good work.

7. Internal Audit

Eamonn O'Reilly introduced the draft terms of reference for 2019/20 which covered five areas. Details of the scope and timing of assignment one were outlined and the Committee welcomed plans to provide a verbal update on the findings of the first assignment to the November meeting. A number of queries were raised in relation to assurance in light of the High Court ruling. Following discussion the Committee accepted the terms of reference and identified potential to look at A&RA committee's and governance arrangements in other oversight regulatory bodies.

10. Audit recommendations implementation report

The Head of Corporate Services updated the Committee on progress regarding completed and outstanding recommendations. Committee members discussed the current situation regarding information assurances from the Department of Finance and noted it may be the case the Department of Finance's IA team will provide this.

8. DAO & FD letters summary

Noted nil return made to sponsor department regarding annual organisational fraud notifications. Summary of letters noted.

9. Review of conditions attached to Business Case approvals

Updated noted.

10. Cyber Security

The Head of Corporate Services gave a verbal update on progress. A number of queries about assurance of Enterprise Shared Services were responded to by Internal Audit. The Committee noted future hosting options were being finalised for consideration by the ICT Board in quarter 3.

10. Meeting of members and auditors without staff present

NIAO reported that the annual audit of the Commission went really well. Although the audit commenced a week early all paper work was made available on time and the cooperation from staff was excellent.

Internal audit reported that staff were very helpful throughout the year and all audits were completed on time with all priority recommendations addressed. Internal audit flagged the reduction in the number of charities being registered. However, it was recognised that additional resources had been made available and there were now seven caseworkers in place. As a result it was expected that the level

of registration work would increase accordingly, once staff were trained, and in line with business plan targets.

14. Committee self-assessment

The Committee agreed its approach and next steps.

AP3: Copies of the assessment template to be circulated and venue to be confirmed.

15. AOB

Committee members discussed the potential level of resourcing in 2020/21 and potential to skew resources to registrations. It was noted the strategic resource business case, submitted with the 2019/22 Strategic plan, was still awaiting sign off by sponsor team.

16. Issues for next meeting

Noted.

Next meeting scheduled for 19 November 2019.

Meeting ended at 11:30am

Audit & Risk Committee

Register of Outstanding Action Points

Committee Meeting and Action Point Number	Date Raised	Agenda Item	Action	Owners	Status
41(1)	10/09/19	1	Minutes of meeting 40 to be recommended to Board for approval	HoCS	Complete
41(2)	10/09/19	4	Risk Register to be recommended to Board following minor amendment	HoCS	Complete
41(3)	10/09/19	14	Copies of self assessment template to be circulated and meeting venue to be confirmed.	HoCS	Complete
37 (4)	04/09/18	6	IA to clarify assurance provided by Department of Finance re Enterprise Shared Services extends to ALB's.	IA	Complete
37 (5)	04/09/18	6	CEX to follow up MOU and assurance needs with CCEW.	CEX	Complete
37 (6)	04/09/18	6	Head of Corporate Services to undertake a mapping of assurances.	HCoS	Underway
30 (3)	15/11/16	7	A&RA involvement in Section 22 decisions to be part of wider Board discussion.	HCorpS	Underway