

**Minutes of Audit & Risk Assurance Committee Meeting No. 32
held on Tuesday 9 May 2017 at 10am 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
Peter Toner, DfC VCD
Eamonn O'Reilly, DfC Internal Audit
Peter O'Sullivan, NI Audit Office
Sonya McTague, Finance & Admin Manager
Natasha Mann, Finance & Admin Officer

The meeting commenced at 10.00 am.

1. Minutes of Meeting

The minutes of the Audit & Risk Assurance (A&RA) Committee meeting held on 20 February 2017, were agreed as a true and accurate record. Proposed by Kieran Donaghy, and seconded by Séamus Magee.

AP1: 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

None noted.

4. Draft Accounts 2016-17

The Chair thanked the Finance team for swift preparation of the draft accounts which were subject to audit and finalisation. Sonya McTague highlighted several items within the accounts which reflected changes

in operational activity and improvements on the previous year's financial performance. It was noted NIAO were completing their audit and no issues had been identified so far. Following discussion, the committee agreed to recommend the accounts to the Board as proposed by Séamus Magee and seconded by Norman Bennett.

AP2: Draft accounts to be recommended to Board for approval.

5. Draft Governance Statement

The Chair introduced the Governance Statement which sets out a series of disclosures about the Commission's governance, risk and controls structure. Following discussion, the committee agreed to recommend the Governance Statement to the Board, subject to minor amendments, as proposed by Séamus Magee and seconded by Norman Bennett.

AP3: Governance Statement to be recommended to Board for approval, subject to minor amendments.

6. Audit and Risk Assurance Committee annual report to Board

The Chair presented the annual report which summarised the committee's activities during 2016-17 and outlined conclusions on progress against key aspects of its terms of reference. Following discussion, the committee agreed to recommend the report to Board as proposed by Kieran Donaghy and seconded by Séamus Magee.

AP4: Audit and Risk Assurance Committee annual report to be recommended to Board.

7. Internal Audit 2nd Assignment Report 2016-17

Eamonn O'Reilly introduced the report and the committee noted there were no Priority 1 or 2 recommendations and the overall audit opinion was satisfactory. Details of the Priority 3 recommendations, relating to investigation processes, IT services and HR strategy were accepted. Following discussion, it was agreed to recommend the report to the Board, and provide a copy to DfC Strategic Review team, as proposed by Kieran Donaghy and seconded by Séamus Magee.

AP5: CEX to send review team a copy of Audit Report.

AP6: Internal Audit 2nd Assignment Report 2016-17 to be recommended to Board.

8. Internal Audit Annual Report and Opinion 2016-17

Eamonn O'Reilly introduced the report and the committee noted this was completed by Lacey Walker, Head of Internal Audit, DfC.

It was noted that the overall audit opinion for 2016-17 is satisfactory and that there were no significant issues arising from internal audit work. The Chair thanked Eamonn O'Reilly and the Internal Audit team for their work and assurances. Following discussion, it was agreed to recommend the report to the Board as proposed by Kieran Donaghy and seconded by Séamus Magee.

AP7: Internal Audit Annual Report and Opinion 2016-17 to be recommended to Board.

9. Corporate Risk Register and Action Plan 2017-18

The CEX introduced a series of changes to the register following previous committee discussion around revising risk levels to reflect the Commission's normal working environment. Following discussion of risks associated with the delivery of the 2017-18 Business Plan and those identified in the Capacity Review related to delivering of the Commission's role as a regulator, it was agreed that an introductory commentary should be included in the register and that all but one risk level should be reduced. The committee agreed to recommend the register to the Board, subject to minor amendments as proposed by Séamus Magee and seconded by Norman Bennett.

AP8: Revised register to be recommended to the Board, subject to minor amendments.

10. Review of Audit and Risk Assurance Committee Annual Agenda

The committee members discussed the annual agenda and agreed to include reviews of the fraud and whistle blowing policies as standing items along with the Department of Finance's (DoF) Annual Fraud Report. It was also agreed to review governance policies every two years, providing there are no externally driven changes or business needs.

AP9: Include fraud and whistle blowing policies and DoF Annual Fraud Report as standing items on agenda.

11. Lessons learnt from Governance Training

The Chair informed the meeting about the Public Accountability and Governance training attended by several committee members and staff on 9 March 2017. The committee agreed to recommend the

paper to the Board for information in the overall context of developing good practice.

AP10: Lessons learnt from Governance Training to be highlighted to the Board.

12. Budget

The Head of Corporate Services updated the meeting on the 2016-17 management accounts position at year end which reflects an under-spend of 0.24% of total budget. It was agreed updates would include further information on reallocations between budget headings during the year.

13. NIAO update on accounts

Noted on target to meet deadline.

14. Audit recommendations implementation report

The Head of Corporate Services updated the meeting on progress of recommendations. The committee noted work completed to date.

15. Review of conditions attached to business case approvals

The Head of Corporate Services outlined details in the report and arrangements to monitor spend, in particular finance and legal teams working closely together to manage spend. Details of budget pressures at the end of April were highlighted in the context of the anticipated 5% budget cut. Peter Toner confirmed a decision on the Commission's budget was anticipated in May. It was noted and that in-year bids were likely to be made for developing more sophisticated risk based systems and legal fees for work.

16. DAO letters summary

Noted.

17. AOB

None.

18. Issues for next meeting

Next meeting scheduled for 5 September 2017.

The Board will review the draft 2016-17 annual report at its next meeting with a view to the report being signed off in June 2017. Peter O'Sullivan informed the meeting that the NI Audit Office can write to the CEX and Chair of the A&RA Committee to confirm it is content with the annual report, providing there are no significant changes, and this can be recommend to Board.

Meeting ended at 11.15am

Audit & Risk Committee

Register of Outstanding Action Points

Committee Meeting and Action Point Number	Date Raised	Agenda Item	Action	Owners	Status
32 (1)	09/05/17	1	Minutes of 20 February meeting to be brought to Board for approval	HCorpS	Complete
32 (5)	09/05/17	7	CEX to send review team a copy of Audit Report	CEX	Complete
32 (9)	09/05/17	10	Include fraud and whistle blowing policies and annual fraud report as standing items on agenda.	CEX	Complete
31 (11)	20/2/16	14	Date information to be included in Business Cases update going forward	HCorpS	Complete
30 (3)	15/11/16	7	A&RA involvement in Section 22 decisions to be part of wider Board discussion	HCorpS	Underway
29 (8)	29/9/16	12	New assurance check on complying with Code of Good Governance (2013) to be developed	HCorpS	Underway