

12 December 2018 at 10.00am

Minutes of the Audit & Risk Management Committee Meeting

Present: Joe McKnight, Chairperson
Helen Ferguson
Eddie Rooney
Graham Shields

David Russell, Chief Executive
Lorraine Hamill, Director (Finance, Personnel and Corporate
Affairs)
Rebecca Magee, Personal Assistant (Minutes)

Mark Lawther, Ernst Young
Ruth Logan, Ernst Young
Anthony McKibbin, Grant Thornton
Jonathan Broadley, National Audit Office (NAO) (by telephone)
Simon Burrows, Northern Ireland Office (NIO)

1. Welcome and Apologies

1.1 The Chairperson welcomed everyone to the meeting. There were no apologies.

2. Declarations of Interest

2.1 No Declarations of Interest were declared.

3. Chairperson's Business

3.1 The Chairperson provided an update on the recent meeting with Dawn Johnson, Chair of the NIO Audit Committee.

4. Minutes of the Meeting Held on 17 September 2018

4.1 The minutes of the Audit and Risk Management Committee meeting held on 17 September 2018 were agreed as an accurate record.

5. Matters Arising from 17 September 2018

5.1 *Audit and Risk Assurance Committee Effectiveness Checklist* (paragraph 5.3 of the 28 June minutes refers) has been completed and will be considered at agenda item 13.

5.2 *Internal Audit Update (Grant Thornton)* (paragraph 7.1 of the 28 June minutes refers) has been completed.

5.3 *GDPR* (paragraph 11.3 of the 28 June minutes refers) to be discussed as part of agenda item 10.

6. Director (Finance, Personnel & Corporate Affairs) Report

- **Financial Expenditure as at 30 November 2018**

6.1 The Director provided an overview of the financial report to 30 November 2018.

- **High Value Purchases as at 30 November 2018**

6.2 The Committee noted and discussed the High Value Purchases to 30 November 2018.

- **Absence Statistics as at 30 November 2018**

6.3 The absence statistics as at 30 November 2018 were reviewed.

- **Freedom of Information request**

6.4 The Freedom of Information requests were noted.

- **Prompt payment**

6.5 The Committee noted that performance to date against the government's target of payment of 80% of invoices within five working days is 99.5% (100% for the month of November).

7. Internal Audit Update

- **Internal audit review of the Statutory Remit and Operations**

7.1 The committee accepted the internal audit review of the Statutory Remit and Operations final report by Grant Thornton.

- **Internal Audit Follow Up Report**

7.2 The committee discussed the summary of progress in the Internal Audit Follow Up (page 7 of the report) table, noting that of the 25 audit recommendations, 15 had been fully implemented, 7 partially implemented and 3 were not yet due.

It was noted that there were no historic audit recommendations.

- **Internal Audit Annual Assurance Report**

7.3 Grant Thornton presented the Internal Audit Annual Assurance Report for 2017/18 and provided a 'satisfactory' assurance over the system of internal control in place within the Commission.

- **Two Year Internal Audit Strategy**

7.4 The Committee noted and approved the changes made to the two-year internal audit strategy. It was noted that financial processes would be audited once the move to Account NI has taken place.

Action: Financial processes to be internally audited on completion of move to Account NI

- **Internal Audit Annual Audit Plan**

7.5 The Committee approved the annual audit plan for 2018/19 which would focus on Data Protection (GDPR) and Corporate Governance

(Equality Scheme), as well as an annual follow-up.

8. National Audit Office update

8.1 The Committee discussed the Audit Planning Report on the 2018-19 Annual Report and Accounts. It was noted that Ernst Young has been appointed to carry out the audit on behalf of the NAO.

8.2 The Committee discussed the Audit planning report and in particular the assessment of the risk of material misstatement to the financial statements and the audit plan to address those risks.

8.3 It was agreed that the Annual Report and Accounts would be signed by end of June for laying in Parliament in July 2019.

Action: Annual Report and Accounts to be signed by end of June for laying in Parliament during July 2019.

8.4 Ernst Young are to confirm the date of the interim audit fieldwork.

Action: Dates to be confirmed for the interim audit fieldwork

9. Corporate Risk Register 2018-19

9.1 The Chief Executive updated the Committee on the Commission's risk register. As agreed at the September meeting, a new risk of Brexit had been added.

10. GDPR

- **Information Asset Register**

10.1 The Committee noted the Information Asset Register which had been submitted to the NIO in September 2018.

- **Laptop Security Policy**

10.2 The Committee discussed the Laptop security policy and it was noted that all laptops (including surfaces) were encrypted and VPN access was available. All Commissioners and staff complete a laptop sign-

off document on receipt of a laptop to confirm they have read the policy and that the procedures detailed in the policy will be applied.

- **Subject Access Request**

10.3 The Committee was updated on a Subject Access Request which was responded to within the timeframe.

11. Expenses of Chief Commissioner and Chief Executive

11.1 The Committee reviewed the expenses of the Chief Commissioner and Chief Executive and approved the claims.

12. NIO Stewardship Statement

12.1 The NIO mid-year Stewardship Statement was presented and the Committee noted that everything was on target.

13. Review of Audit Committee

- **Terms of Reference**

13.1 The Committee reviewed the Terms or Reference of the Audit Committee.

13.2 It was agreed that GDPR should be included in the 'information requirements' section of the Terms of Reference.

Action: Director (Finance, Personnel and Corporate Affairs) to amend.

- **Assurance Committee**

13.2 The Committee accepted the Assurance Committee Effectiveness Checklist.

14. Information Papers

- **Code of Governance**

14.1 The Committee were updated on the Code of Governance being aligned to the framework document. Following the completion of the consultation to the 2019-2022 Strategic Plan an amendment will be made to annex 5 regarding the rewording of the mission statement.

Action: Amendment to annex 5 to be presented at the June Audit and Risk Management Committee.

- **Revised Equality Scheme**

14.2 The Committee approved the draft Equality Scheme, subject to further minor amendments. The draft Scheme will be shared with stakeholders for consultation then shared with the Equality Commission Northern Ireland (ECNI).

Action: Draft Equality Scheme to be issued to stakeholders for consultation

- **Disability Action Plan**

14.3 The Committee approved the draft Disability Action Plan, subject to further minor amendments. The draft Action Plan will be shared with stakeholders for consultation then shared with ECNI.

Action: Draft Disability Action to be issued to stakeholders for consultation

15. Any Other Business

- **Mental Health Charter**

15.1 The Committee agreed to the Commission signing up to the Mental Health Charter and that the Commission should avail of any training that could be provided under the Charter. The Committee also endorsed the suggestion of working closer with ECNI to create a persons with disabilities reference group.

Action: Director (Finance, Personnel and Corporate Affairs) to source training opportunities for staff and Commissioners.

Action: Director (Legal, Research and Investigations, and Advice to Government) to speak with ECNI regarding setting up a persons with disabilities reference group.

16. Close

16.1 The meeting closed at 11:25am.

Next meeting date: Monday 11 March 2019 at 10:00am.