

COMMISSIONER FOR OLDER PEOPLE FOR NORTHERN IRELAND (COPNI)

AUDIT AND RISK ASSURANCE COMMITTEE

MINUTES OF A MEETING OF THE AUDIT AND RISK ASSURANCE COMMITTEE  
HELD ON MONDAY 15 JUNE 2015 AT 9.30AM IN EQUALITY HOUSE, BELFAST

PRESENT:

MEMBERS Gerard Campbell (Chair)  
Julie Erskine  
Breidge Gadd (to item 11)  
Don Mackay

IN ATTENDANCE Claire Keatinge (Commissioner, COPNI)  
Evelyn Hoy (Chief Executive, COPNI)  
Gerard McKeown (Finance and Governance Manager, COPNI)  
Rodney Allen (Northern Ireland Audit Office) (to item 7)  
Amanda McMaw (ASM – Internal Audit)  
Nicola Drennan (OFMDFM)  
Rebecca Kelly (Administrative Officer, COPNI)

<b>Agenda Item 1: Apologies</b>  There were no apologies.	<b>NOTED</b>
<b>Agenda Item 2: Chair's Business</b>  The Chair indicated that item 7 would be taken after item 4.	
a) <b><u>Conflict of Interests</u></b> No conflicts of interests were declared.	<b>NOTED</b>
b) <b><u>Register of Interests</u></b> No new interests were reported in this period.	<b>NOTED</b>
c) <b><u>Fraud</u></b> No incidents of fraud were reported in this period.	<b>NOTED</b>
d) <b><u>Register of Gifts and Hospitality</u></b>  <u>Register of Gifts and Hospitality received by COPNI</u> The two new entries on the register were noted. It was then signed by the Chair. A copy will be put on the COPNI website.	<b>ARAC 06/15/1</b>  <b>NOTED</b>
e) <b><u>Direct Award Contracts</u></b> No Direct Award Contracts were in place for this period.	<b>NOTED</b>

<p><b>Agenda Item 3: Draft Minutes of the Meeting of 9 March 2015</b></p> <p>The minutes of the last ARAC meeting were reviewed for accuracy, and all members and attendees were content. There was a general discussion regarding the length and detail of the minutes.</p> <p>The minutes were signed by the Chair and a copy will be put on the COPNI website.</p>	<p><b>ARAC 06/15/2</b></p>
<p><b>Agenda Item 4: Matters Arising not already on the Agenda</b></p> <p><b>a) <u>Actions arising from ARAC Meeting 9 March 2015</u></b> Of the 12 actions, 11 were reported as complete by the date of the meeting.</p> <p><u>Register of Gifts and Hospitality</u></p> <p>Regarding Action 77, NIAO had confirmed to COPNI that the item was not hospitality.</p> <p>Regarding Action 82, A McMaw confirmed ASM was content with NIAO's view as above.</p> <p>In response to a query from a Member as to why the Commissioner's travel to attend a conference in Berlin in May 2013 was included on the register, A McMaw stated this was in accordance with DFP's guidance however it could also be put on an 'International Events Register'. COPNI would consider if a Register of International Conferences and Events should be put in place to record gifts or hospitality provided to COPNI in relation to attendance at international events. The Register will be circulated to ARAC each quarter.</p>	<p><b>NOTED</b></p> <p><b>ACTION COPNI (ACT 89)</b></p>
<p><b>Agenda Item 7: Presentation by NIAO</b></p> <p><b>a) <u>External Audit Strategy for 2014/15</u></b> R Allen presented the Audit Strategy to the Committee. In particular he drew attention to:</p> <ul style="list-style-type: none"> <li>• Actions for those charged with Governance (Para. 1.3)</li> <li>• Materiality (Para. 2.7 – 2.11)</li> <li>• Error Reporting Threshold (Para. 2.12)</li> <li>• Significant Risks (Para. 3.2 – 3)</li> <li>• Other Risk Factors (Para. 3.4)</li> <li>• Role of ARAC members (Para. 15)</li> </ul> <p>The Chair asked whether NIAO was content to proceed with the strategy even though the Commissioner will leave the organisation during the year. R Allen stated he would monitor what OFMDFM decides however there is a potential risk it may slip.</p>	<p><b>ARAC 06/15/4a NOTED</b></p>

<p>N Drennan indicated that the Department expect that E Hoy could be asked to take on the role and responsibility of Accounting Officer in the interim period until a new Commissioner is appointed.</p> <p>The Committee approved the NIAO Audit Strategy for 2014/15.</p> <p>R Allen left the meeting.</p>	
<p><b>Agenda Item 5: Commissioner's Update – Emerging Issues</b></p> <p>The Commissioner gave an update on the current issues affecting her office.</p> <p><b>a) <u>Engagement</u></b></p> <p><b><u>Crime clearance rates project</u></b> The Commissioner reported that for the first time specific targets have been set in the Policing Plan regarding improving clearance rates for crimes against older people.</p> <p><b><u>Age, Goods, Facilities and Services</u></b> In February it was announced that legislation to protect over 16's from age discrimination would be delivered before the Assembly election in 2016. COPNI will make a submission to the consultation process.</p> <p><b><u>Adult Social Care</u></b> COPNI's Adult Social Care Legislation advice to Government is now complete, and the Commissioner's advice will be published and launched during June 2015.</p> <p><b><u>Corporate Plan 2013-2015</u></b> The Commissioner highlighted this was an ambitious plan which has now been delivered in full, and she paid credit to staff, external specialists and older people's organisations.</p> <p><b><u>Departmental Reorganisation</u></b> The Department of Health, to be created after the 2016 Assembly elections, will take on OFMDFM's policy responsibilities for older people and the Active Ageing Strategy. It is also proposed that sponsorship of COPNI will move to the new Department of Health.</p> <p>The Commissioner indicated that she believes moving sponsorship responsibility from OFMDFM to the Department of Health could compromise the position of the Commissioner as an independent champion for older people. A formal response had not been received from OFMDFM to COPNI's letter, however the Commissioner will meet with Special Advisors next week. It was noted COPNI are seeking Counsel's opinion of the legislative review and this will be considered to be included as an addendum in the papers.</p>	<p><b>ARAC 06/15/3</b></p> <p><b>NOTED</b></p> <p><b>ACTION COPNI (ACT 90)</b></p>

<p><b>b) <u>Recruitment and Induction</u></b>  The Human Resources Manager left COPNI in early May, and the Communications and Engagement Manager will leave her post at the end of June. The positions will be filled by agency staff on a temporary basis until permanent staff have been recruited.</p> <p>The Chair noted to lose two staff in such a small organisation would have a disproportionate impact. The Commissioner indicated that COPNI is the only ALB with staff on a single point pay system rather than a pay scale and staff are moving on. The Chair asked for the Committee's thanks to be relayed to the departing staff.</p> <p>E Hoy indicated that over 50% of staff are now NIPSA members, and SMT are setting up a recognition agreement with NIPSA.</p>	<p><b>NOTED</b></p>
<p><b>c) <u>Addenda to COPNI's 2015/2016 Business Plan</u></b>  E Hoy indicated that the Business Plan had been approved by OFMDFM however an addendum was required following the Commissioner's decision not to seek a second term of office. E Hoy indicated that the Business Plan addenda has now been approved.</p>	<p><b>ARAC 06/15/3a NOTED</b></p>
<p><b>d) <u>2015/16 Finance and Expenditure</u></b>  E Hoy indicated that expenditure prepared up until 30<sup>th</sup> April would be £842k and COPNI's budget is £822k, and she confirmed COPNI have made a bid for £8k for depreciation. The increase in the pension contribution drove the overspend; notification from NICS Pensions Branch was only received in March. N Drennan confirmed that OFMDFM would be bidding to cover this expenditure in the June Monitoring Round. E Hoy indicated the accounts have been approved by her and the Commissioner.</p> <p>In response to a query from the Chair, G McKeown indicated that the savings incurred from gaps in posts would be used for recruitment advertising for the permanent posts.</p>	<p><b>ARAC 06/15/3b NOTED</b></p>
<p><b>e) <u>2015/16 Budget and Cash Flow</u></b>  G McKeown had prepared an annual cash flow forecast reconciled to budget profile. Members discussed the layout of the paper and noted it was clear and comprehensive.</p>	<p><b>ARAC 06/15/3c NOTED</b></p>
<p><b>f) <u>Quarterly Performance Report</u></b>  E Hoy indicated all objectives in the 2014/15 Business Plan had been delivered, however she outlined concerns in relation to the budget.</p>	<p><b>ARAC 06/15/3d NOTED</b></p>
<p><b>g) <u>Accountability Meeting</u></b>  E Hoy reported that the meetings run smoothly with the only real point of concern being the budget. She confirmed COPNI has made bids in the June Monitoring Round to carry out additional work.</p>	<p><b>NOTED</b></p>


<p><b>h) <u>Senior Management Team</u></b> E Hoy noted the Management Accounts and Business Plan are being monitored by SMT.</p> <p><b>i) <u>Complaints</u></b> During this period there was a complaint against the Older People's Advocate. COPNI had made a significant effort to assist with the complaint. Detailed papers will be included in the September meeting.</p>	<p><b>NOTED</b></p> <p><b>NOTED</b></p> <p><b>ACTION COPNI (ACT 91)</b></p>
<p><b>Agenda Item 6: Update from OFMDFM</b></p> <p><b>a) <u>Appointment of a new Commissioner</u></b> N Drennan reported that OFMDFM has sought permission to hold a recruitment process and the initial stages are now underway, however there is no set timeline. The process cannot commence until funding is confirmed following the outcome of the June Monitoring Round. Funding for the national and international advertisements would be bid for in the June Monitoring Round. She indicated E Hoy could be asked to act as Accounting Officer in the interim period. E Hoy asked what the contingency would be if there were in year cuts. N Drennan reiterated E Hoy could be asked to be the Accounting Officer until a new Commissioner is appointed.</p> <p><b>b) <u>Accommodation in Equality House</u></b> N Drennan reported that DFP are undergoing an audit of private leases of offices, with the aim of more efficient use of space in government buildings. The lease for Equality House is currently with the Equality Commission and will be reassigned to DFP. The Commission for Victims and Survivors (14 staff) and Community Relations Council (24 staff) will move into the building. The Chair indicated the increased headcount may lead to a reduction in rent. G McKeown confirmed that COPNI's MOTO ends in March 2016. A member requested this should be added to the risk register.</p>	<p><b>NOTED</b></p> <p><b>ACTION COPNI (ACT 92)</b></p>
<p><b>Agenda Item 8: Update from Internal Audit 2014/15</b></p> <p><b>a) <u>Annual Assurance Report 2014/15</u></b> A McMaw noted that the draft report was put before the Committee in March. It was further noted that the table in Paragraph 10 had been amended to identify priorities of recommendations.</p> <p>The report was approved by the Committee.</p> <p><b>b) <u>Internal Audit Strategy for 2015/16</u></b> A McMaw stated that ASM were recently reappointed by COPNI for a three year period 2015/16 – 2017/18 with a possible extension of one year to 2018/19. A McMaw discussed the strategy with the Committee and highlighted the main aspects:</p>	<p><b>ARAC 06/15/5a NOTED</b></p> <p><b>ARAC 06/15/5b NOTED</b></p>

<ul style="list-style-type: none"> <li>• <u>Paragraphs 1–5</u>: Preparation for the Audit Strategy; the plan remains flexible.</li> <li>• <u>Paragraphs 6-8</u>: Background and key risks of COPNI.</li> <li>• <u>Paragraphs 9-10</u>: Preliminary assessment.</li> <li>• <u>Paragraphs 11-14</u>: Risk assessment.</li> <li>• <u>Paragraph 18</u>: Allocation of audit days over four years.</li> </ul> <p>A Member suggested 8 days for Corporate Governance may be too long. The Chair confirmed he had met with ASM, and highlighted the importance of Corporate Governance particularly in light of the proposal to change sponsorship. A McMaw confirmed the allocation of days within the strategy would be flexible, and there was also a contingency of a few days.</p> <p>The Key Performance Indicators in Appendix A had not yet been agreed, and would be considered by the Committee in March 2016. The Proposed Internal Audit Charter in Appendix B remained unchanged.</p> <p>The Committee approved the Internal Audit Strategy for 2015/16.</p>	
<p><b>Agenda Item 9: Audit Recommendations</b></p> <p>G McKeown referred to the outstanding recommendations within the report.</p> <p><b><u>IA Corp Gov 1</u></b>  G McKeown indicated a review of MSFM was required. N Drennan confirmed a new MSFM would be drawn up when a new Commissioner is appointed. Some work needs to be done around a formal timeframe for the approval of Corporate and Business Plans. The Chair highlighted this is now out of COPNI's hands and asked OFMDFM to close it off.</p> <p><b><u>IA ICT 2</u></b>  This recommendation should have been red rather than amber as the target date had passed. G McKeown confirmed COPNI now had appropriate assurance from the Equality Commission in relation to data security therefore this is complete. The Chair requested a copy of this for the next meeting.</p> <p><b><u>2013/14 NIAO 1</u></b>  The review and approval of the 2014/15 Annual Report and Financial Statements remained amber.</p> <p><b><u>IA Finance 3 &amp; IA Finance 4</u></b>  The finance manual should be updated and budget shared with budget holders. Implementation date was 30<sup>th</sup> June. The Chair enquired about the progress of the report. E Hoy confirmed it was on track and that staff and managers are managing their budgets.</p>	<p><b>ARAC 06/15/6 NOTED</b></p> <p><b>ACTION OFMDFM (ACT 93)</b></p> <p><b>ACTION COPNI (ACT 94)</b></p>

<p>She highlighted that there were two main pots for the budget, Legal and Policy and Communication and Engagements. She confirmed budget holders are to sign assurance statements, and this is in progress.</p>	
<p><b>Agenda Item 10: Risk Matters</b></p> <p><b>a) <u>Updated Corporate Risk Register 2015/16 Q1</u></b>  The eight key business risks were discussed:</p> <ul style="list-style-type: none"> <li>(i) Financial resources are further diminished as a result of in year budget reductions</li> <li>(ii) Reputational risk and reduction in capacity to publicise, monitor and gauge impact of Commissioner's priorities</li> <li>(iii) Uncertainties arising from Departmental reorganisation</li> <li>(iv) Strategic uncertainties due to the COPNI's financial baseline</li> <li>(v) Unable to exercise statutory duties</li> <li>(vi) Failure to adequately manage the exit and transition of outgoing Commissioner to new Commissioner</li> <li>(vii) Resource pressures on Legal function resulting in projects being delayed or postponed</li> <li>(viii) Vacant Positions</li> </ul> <p>The risks and their assessments were discussed.</p> <p>The Chair requested Risk (i) to be raised from medium to catastrophic.</p> <p>Regarding Risk (vi), the Chair enquired if the Commissioner could extend her current term by three months in the event that a new Commissioner had not yet been appointed. N Drennan stated that this is not possible and the term ends on 13<sup>th</sup> November.</p> <p>The Chair requested Risk (viii) to be raised from medium to high.</p> <p>It was noted the Register was comprehensive and clearly linked to the Corporate and Business Plans.</p>	<p><b>ARAC 06/15/7 NOTED</b></p> <p><b>ACTION COPNI (ACT 95)</b></p> <p><b>ACTION COPNI (ACT 96)</b></p>
<p><b>Agenda Item 11: Legislation Review</b></p> <p><b>a) <u>Briefing Paper</u></b>  <b>b) <u>Report</u></b>  <b>c) <u>Addendum</u></b></p> <p>These items were noted; the Briefing Paper will be sent to OFMDFM. The Commissioner noted that she may wish to take Counsel's view on extending her term until a new Commissioner is appointed.</p> <p>B Gadd left the meeting.</p>	<p><b>ARAC 06/15/8 ARAC 06/15/8a</b></p> <p><b>NOTED</b></p>

<p><b>Agenda Item 12: Business Continuity Plan Test Report</b></p> <p>E Hoy indicated that COPNI carried out a full test of the Business Continuity Plan in March. The test was successful and the staff involved were able to operate elsewhere with minimal disruption at COPNI's alternate site. Members discussed how the test had worked well and noted the learning points. COPNI plans to carry out a disaster recovery test with Equality Commission's ICT.</p>	<p><b>ARAC 06/15/9 NOTED</b></p>
<p><b>Agenda Item 13: Update on DAO and DFD Guidance</b></p> <p>The report was noted.</p>	<p><b>ARAC 06/15/10 NOTED</b></p>
<p><b>Agenda Item 14: Summary of Key Issues from Public Accounts Committee Reports</b></p> <p>There were no issues applicable to COPNI during the period.</p>	<p><b>ARAC 06/15/11 NOTED</b></p>
<p><b>Agenda Item 15: Any Other Business</b></p> <p>The ARAC self-assessment checklist will be completed for the September meeting.</p> <p>The December meeting will include time to review and sign off the Accounts.</p> <p>Members were asked to email the Chair prior to next meeting to indicate if they would like to remain on the Committee after their first term ends in April 2016; this will be discussed at the next meeting.</p>	<p><b>NOTED</b></p>
<p><b>Agenda Item 16: Dates of Next Meetings</b></p> <p>a) <u>Monday 21 September 2015 at 9.30am</u> b) <u>Monday 7 December 2015 at 9.30am</u></p> <p>The meeting ended at 12.30pm.</p>	<p><b>NOTED</b></p>

Signed:

  
Chairperson

Date:

21/9/15