

**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 3 SEPTEMBER AT 1:30PM IN
EQUALITY HOUSE, BELFAST**

PRESENT:

MEMBERS: Gerard Campbell (Chairperson)
Breidge Gadd
Don Mackay
Julie Erskine

APOLOGIES No apologies

IN ATTENDANCE Claire Keatinge, Commissioner, COPNI
Evelyn Hoy COPNI
Glenda Doherty COPNI

Patricia Blair, Northern Ireland Audit Office (NIAO)
Colette Kane, Northern Ireland Audit Office (NIAO)
Derek Quinn, Office of First Minister and Deputy
First Minister (OFMDFM)

Agenda Item 1: Apologies No apologies were received. Colette Kane indicated that she would have to leave the meeting at 3pm.	NOTED
Agenda Item 2: Draft Minutes of the meeting of 14 May 2012 The Chair welcomed members and attendees to the Audit and Risk Assurance Committee (ARAC) meeting and commended COPNI staff on the organisation of the meeting and presentation of the papers. The minutes of the last ARAC meeting were approved by members subject to a minor amendment. The Chair signed off the minutes at the close of the meeting.	APPROVED
Agenda Item 3: Matters arising not already on the Agenda • Disposal of documents - Breidge Gadd asked how documents from the meeting would be disposed of. It was agreed that COPNI would dispose of documents at request of members.	ACTION COPNI

<ul style="list-style-type: none"> • Corporate Governance Training – Don Mackay asked about the potential for ARAC members to undertake the CIPFA Certificate of Corporate Governance. Gerry Campbell requested that Don forward the information to the committee and it would be discussed with Claire Keatinge. • Audit Committee Training – Julie Erskine advised members that she had not received the certificate of attendance she had requested from the Chief Executives Forum for the Audit Committee training. Julie asked if a member of COPNI could follow this up. To be followed up prior to next ARAC meeting. • Risk Management and Audit – Colette Kane suggested providing a session on Risk and Audit Management with ARAC members. ARAC members agreed that this would be beneficial and that a session should be arranged with Colette Kane. To be followed up prior to next ARAC meeting. 	<p>ACTION DON MACKAY</p> <p>ACTION COPNI</p> <p>ACTION COPNI</p>
<p>Agenda Item 4: Commissioner’s update</p> <p>Claire Keatinge gave an overview of progress that had been made by COPNI since the last ARAC meeting on 14 May 2012. She described how the current team of temporary staff has assisted in progressing COPNI’s work and outlined her plans for the recruitment of permanent staff in tranches. Claire gave an overview of the 3 themes and 9 priorities that would form the focus of COPNI’s work in 2012/13 and highlighted the work plan that would flow from these priorities.</p> <p>ARAC members said that a permanent staff team should be recruited as quickly as possible to ensure that staffing issues did not impact on the corporate plan and reputational risks were minimised.</p> <p>The Committee agreed that that the priorities outlined in the Strategic Objectives document were exciting and appropriate. The document should be amended to clarify where preliminary scoping only is to be undertaken this year. The agenda seems substantial and ambitious.</p> <p>To be addressed prior to the next ARAC meeting</p>	<p>ACTION COPNI</p>
<p>Agenda Item 5. Chair’s Business</p> <p>The Chair asked that, in future, this standing agenda item be moved to the beginning of the agenda so conflicts of interest could be dealt with at the earliest opportunity.</p> <p>a. Conflict of Interest The Chair asked members to declare any conflicts of</p>	

<p>interest arising from the agenda. No conflicts of interest arising from the agenda were declared.</p> <p>b. Fraud The Chair requested that the fraud policy and fraud response plan be discussed as a separate item.</p> <p>c. Update from meeting with Noel Lavery The Chair updated ARAC on the meeting between Noel Lavery and the Chairs of the Audit and Risk Committees of Arms Lengths Bodies. He gave an overview of issues discussed including recommendations for risk registers, the new governance statement, stewardship statement, single tender contracts and how OFMdfM works with ALB's.</p> <p>The Chair said he would forward minutes of the meeting with Noel Lavery to members when he received them.</p> <p>The issue of Single Tender Contracts was raised as a concern by Breidge Gadd. In particular, Ms Gadd wished to address issues of intellectual property and research conflicts when competing for research contracts. The Chair suggested that Single Tender Contracts should be discussed at a subsequent meeting</p> <p>To be addressed prior to the next ARAC meeting</p>	<p>ACTION GERRY CAMPBELL</p> <p>ACTION COPNI</p>
<p>Agenda Item 5b: Fraud policy and fraud response plan</p> <p>The fraud policy and response plan was presented to ARAC for review and assurance. Evelyn Hoy explained that the documents outlined COPNI's responsibility with respect to fraud and whistle blowing. Breidge Gadd wanted to know what would happen if a fraud allegation was made against the Commissioner / Senior Manager. ARAC members agreed that if the Commissioner was implicated ARAC and Noel Lavery should be informed and this should be included in the policy. The Chair commended staff on the production of the fraud policy.</p> <p>The Chair said that the policy, subject to minor amendments, should be signed off by the Commissioner and that there should be no reason for resubmission to ARAC.</p> <ul style="list-style-type: none"> • There is a need to make the fraud policy and response plan COPNI's rather than OFMdfMs. • The role of ARAC in any fraud allegation needs expanded upon in p25 and throughout. • Ensure all abbreviations are written in full on first mention (e.g. PACE on p11). • Section on whistle blowing should be lifted out as a separate policy and made our own. 	<p>SUBJECT TO AMENDMENT</p> <p>ACTION COMMISSIONER</p> <p>ACTION COPNI</p>

<ul style="list-style-type: none"> Page 13 – some of the indicators need to be made relevant to COPNI. <p>To be amended prior to the next ARAC meeting.</p>	
<p>Agenda Item 7. Audit Strategy – 2011-12 Accounts</p> <p>The Chair suggested moving item 7 forward in order to accommodate Colette Kane’s schedule.</p> <p>Colette Kane gave a brief overview of the Audit Strategy, highlighting that the audit would be a risk based approach and would cover the period from 14/11/2011 – 31/03/2012 and will commence 8/10/12. The Audit would specifically look at regularity and would focus on the risks identified for COPNI including infancy of governance; regularity of expenditure; unrealistic budget setting and poor monitoring of budgets.</p> <p>Evelyn Hoy indicated that a comprehensive internal audit had been undertaken by Hugh Brown in COPNI. Colette Kane said that NIAO were content with the progress that had been made at COPNI. She said that if a comprehensive review of transactions had been included as part of the Internal Audit that NIAO may not need to re-perform this.</p> <p>ARAC members wanted more information about the Annual Report. Colette Kane explained that there was a set form of the Annual Report which had to be completed. Evelyn Hoy said that the Annual Report had undergone significant drafting and would be forwarded to the Audit Office prior to the commencement of the Audit.</p> <p>The Chair asked that an electronic version of the Annual report be sent to ARAC members prior to it going to the Audit Office.</p> <p>Don Mackay requested a copy of Managing Public Money Northern Ireland.</p> <p>To be addressed prior to the next ARAC meeting</p>	<p>ACTION COPNI</p> <p>ACTION COPNI</p>
<p>Agenda Item 8. Update on Year End Accounts</p> <p>Evelyn Hoy said that the year-end accounts contained all the headings in the Annual Report but may not contain long narrative under the headings. Evelyn explained that these would remain draft until the draft NIAO audit was completed.</p> <p>In relation to the tendering for the function of Internal Audit, the Chair asked if ARAC would have a role. The Commissioner confirmed that ARAC members would sit on the Internal Audit panel and would have involvement with the selection process for the successful tender.</p>	

<p>Agenda Item 6. Progress on Risk Management</p> <p>The risk strategy and register was presented to ARAC for review and assurance. Evelyn said that the risk register reflects where COPNI is in its set up process and the prioritisation of policy development reflected the risks created by the absence of those policies.</p> <p>a. Risk Strategy</p> <p>The Chair introduced the Risk Strategy and commended staff on the comprehensiveness of the Risk Strategy. Evelyn Hoy told ARAC that Hugh Brown, the temporary internal auditor, had written the policy. Don Mackay asked if COPNI has a business continuity plan. The Commissioner said that emergency plans were in an embryonic stage and that the risk of fire/flood was managed through the MOTO with ECNI.</p> <p>The Chair said that the policy should be approved by the Commissioner subject to further analysis of reputational risks and countermeasures.</p> <p>b. Corporate Risk Register</p> <p>Julie Erskine highlighted the importance of the link between the Corporate plan and risk and ARAC members agreed that minutes from any corporate plan / management meetings would be helpful to them in assessing risk.</p> <p>Breidge Gadd highlighted the importance of reputational risk and managing expectations in a set up situation. ARAC members requested that this should be included as a key risk on the Risk Register.</p> <p>To be addressed prior to the next ARAC meeting</p>	<p>ACTION COPNI</p> <p>ACTION COPNI</p> <p>ACTION COPNI</p>
<p>Agenda Item 9. Accountability meeting with Noel Lavery</p> <p>The Commissioner gave a brief overview on her meeting with Noel Lavery. She reported that the meeting was courteous and that the OFMdFM officials involved were engaged on the issues of ageing and governance. The Commissioner also highlighted positive relationships with junior ministers and indicated that she will press junior ministers with regards to approval of the organisational structure business case</p>	
<p>Agenda Item 10. Procedures for Secretariat Support</p> <p>The Secretariat Support paper was presented to ARAC for review and assurance. ARAC members said that the document should be signed off by the Commissioner, subject to the following amendments and that there should</p>	

<p>be no reason for resubmission to ARAC.</p> <ul style="list-style-type: none"> • Amend paragraph 7 to indicate that where the Chair is unable to attend the Members will appoint their own Chair subject to quoram • Insert an Appraisal mechanism for members. <p>To be amended prior to the next ARAC meeting</p>	<p>ACTION COPNI</p>
<p>Agenda Item 11: Financial Policies</p> <p>Tranche 1 financial policies were presented to ARAC for review and assurance. The Chair and ARAC members commended staff on the comprehensive financial policy manual. Evelyn Hoy said that the financial and procurement policies had been written by John Stevenson and Glenda Doherty. Evelyn said that COPNI was now having monthly management meetings and as part of these meetings budget profiling and any variances were regularly discussed.</p>	<p>REVIEWED</p>
<p>Agenda item 12: Procurement Policy</p> <p>The Procurement policy was presented to ARAC for review and assurance. The Chair and ARAC members commended staff on a comprehensive document. ARAC members advised COPNI that it would be important to ensure continuity in the transition between temporary and permanent staff in following procurement policies and procedures.</p>	<p>REVIEWED</p>
<p>Agenda item 13: Strategic Objectives paper final draft</p> <p>The Commissioner gave a brief overview of the Strategic Objectives paper emphasising that this was a draft document which formed part of the Staff business Case to OFMdfM and has since been updated. The Commissioner said that this year's work would consist of preliminary scoping (TOR and desk review).</p> <p>On discussion, ARAC members agreed that the Strategic Objectives document was visionary and substantial. Breidge Gadd said that the plan was exciting but ambitious and there was a risk of under delivering the plan. The Commissioner said that each of the actions outlined for this year involved preliminary scoping of the areas, however if this was not clear the document would be amended to clarify. Patricia Blair indicated that regularity of expenditure with the business plan would be looked at by NIAO in the Audit process, so there was a need to ensure prompt approval of the business plan to ensure COPNI expenditure is regular.</p> <p>The Chair asked Derek Quinn whether OFMdfM was close to finalising the business plan. The Chair asked Derek to</p>	<p>NOTED</p> <p>ACTION COPNI</p> <p>ACTION DEREK</p>

<p>bring back to OFMdfM the issue raised by Patricia Blair in NIAO regarding the need for approval of the business plan to ensure regularity of COPNI spend.</p> <p>To be addressed prior to the next ARAC meeting</p>	<p>QUINN</p>
<p>Agenda item 14: Organisational structure – recommended option in business case, awaiting OFMdfM approval</p> <p>The Commissioner asked ARAC to note the proposed Organisational Structure that has been presented to OFMdfM</p>	<p>NOTED</p>
<p>Agenda item 15: MSFM</p> <p>Evelyn Hoy gave a brief overview of the MSFM highlighting that the draft final MSFM was currently with OFMdfM and DFP. Breidge Gadd said that although this was not strictly the purview of ARAC, she was concerned that Section 2.2.1 of the MSFM indicated that the Commissioner’s policies would be determined by OFMdfM which would hinder the independence of the Commissioner laid out in Act. Evelyn Hoy highlighted that the MSFM is a standard document determined by DFP and that it read the same for all ALB’s.</p> <p>ARAC members agreed that it may be beneficial to check out other ALBs and how they have handled this. Julie Erskine mentioned that NICCY had raised the same issue with limited success.</p> <p>The Chair suggested that the Commissioner raised these concerns with OFMdfM. The Commissioner made clear the importance of her legislative powers and duties but would raise the issue with the Department if she felt it necessary when the draft is finalised.</p> <p>To be addressed prior to the next ARAC meeting</p>	
<p>Agenda item 16: October Monitoring Return and Update on COPNI Budget</p> <p>The Commissioner and Evelyn Hoy gave a brief overview of the budget and highlighted that COPNI has asked for a reclassification of £65K from resource to capital.</p>	<p>NOTED</p>
<p>Agenda item 17: Stewardship Statement checklist</p> <p>Evelyn Hoy highlighted the Stewardship Statement Checklist as a guide through the stewardship statement process put together by a temporary staff member with audit skills, Hugh Brown, for the Commissioner. ARAC members felt that the guide was useful and comprehensive.</p> <p>Evelyn Hoy asked Derek Quinn to ask OFMdfM for their next Stewardship statement as it was currently overdue</p>	<p>ACTION DEREK QUINN</p>

