



7 December 2020

## Minutes of the Audit and Risk Management Committee

**Present:** Eddie Rooney, Interim Chairperson  
Helen Henderson (standing in for Maura Muldoon)  
David A Lavery CB

**In Attendance:** David Russell, Chief Executive  
Lorraine Hamill, Director (Finance, Personnel and Corporate Affairs)  
Jacqueline McClintock, Finance, Personnel and Corporate Affairs Officer (minutes)  
Claire Martin, Director (Communications, Information and Education, Public and Political Affairs)  
Rhyannon Blythe, Director (Legal, Research and Investigations and Advice to Government)  
Jonathan McNeill, Ernst & Young  
Stephen Reid, Ernst & Young (from 10am)  
Anna Wojtal, National Audit Office  
Paul Keane, National Audit Office (from 10am)  
Nikita Brijpaul, Boardroom Apprentice

### 1. Welcome and Apologies

- 1.1 The Chairperson welcomed everyone to the meeting.
- 1.2 Apologies were received from Maura Muldoon (Commissioner), Mark Lawther (Ernst & Young).

## **2. Declarations of Interest**

2.1 No declarations of interest were declared.

## **3. Chairperson's Business**

3.1 The Chairperson reported that this was the first meeting since 19 June 2020 and since the passing of Joe McKnight (previous Chairperson). The Chairperson acknowledged that he was not independent however was standing in until a new independent Chairperson is appointed. The Chairperson welcomed the new Commissioners.

## **4. Minutes of the meeting held on 19 June 2020**

4.1 The minutes of the Audit and Risk Management Committee meeting held on 19 June 2020 were agreed as an accurate record.

## **5. Matters arising from 19 June 2020**

5.1 It was noted that the Annual Report and Accounts were laid in Parliament in July 2020 (paragraph 7.2 of previous minutes refers).

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

- **Financial Expenditure as at 31 October 2020:**

6.1 The Director provided an overview of the financial report to 31 October 2020. The Director highlighted the virement of funds in the budget between nominal codes to cover anticipated dilapidation costs for North Street premises. The Director reported that a surveyor had been appointed and the surveyor anticipates that costs could be halved from the initial £35,000.

- 6.2 The Director reported on virement of funds in the budget to cover upcoming legal casework costs and the outcome of the recent Job Evaluation Grading exercise (JEGs) which has been approved by the NIO.
- 6.3 The Director reported on increased capital budget for Alfred Street premises.
- 6.5 The Director reported that the Commission had received confirmation of the Dedicated Mechanism funding and that the Commission can draw down funds together with core funding but should report on expenditure separately.
- 6.6 The Director reported that the Commission was waiting on formal confirmation from NIO of its budget for 2020-21.

- **High Value Purchases as at 30 November 2020:**

- 6.7 The Committee noted and discussed the High Value Purchases to 30 November 2020. It was noted that the Commission were awaiting approval from the NIO before making capital expenditure on the website redesign which would be funded from the Dedicated Mechanism budget.

- **Freedom of Information Act Requests:**

- 6.8 The Director (Communications, Information and Education, Public and Political Affairs) reported on the Freedom of Information requests.
- 6.9 The Director highlighted an individual, who sent over 300 requests between January and April 2020. It was noted that the previous Commissioners agreed to issue a vexatious notice after seeking legal advice. The Director confirmed that the vexatious notice had been issued.

- **Absences Statistics as at 30 November 2019:**

- 6.10 The absence statistics as at 30 November 2020 were reviewed.

- 6.11 The Director (Finance, Personnel and Corporate Affairs) highlighted that baseline numbers have been amended to reflect changes in the staff numbers and to include new positions due to be filled before the year end. The baseline will continue to be amended as recruitment continues in 2021.
- 6.12 The Director highlighted that Full Time Equivalents (FTEs) have been amended to reflect staff on temporary contracts being made permanent.
- 6.13 The Director highlighted the absence of a staff member due to Covid-19 and noted that following Northern Ireland Civil Service guidance, Covid-19 absence will not be taken into account in staff members' sickness record and the Commission's policy on a 4-year rolling sickness absence period.

- **Other issues:**

- 6.14 The Director (Finance, Personnel and Corporate Affairs) reported that staff continue to work from home in line with government guidance.
- 6.15 The Director reported that there have been no data breaches since 1 April 2020.
- 6.16 The Director reported that the Fair Employment Monitoring Return for 2020 had been submitted to the Equality Commission for Northern Ireland.
- 6.17 The Director reported that there had been no unacceptable behaviour from members of the public. The Director updated that training for dealing with unacceptable behaviour is going to be sourced for Commissioners and staff however, this has been delayed due to the pandemic.
- 6.18 The Director reported that due to the pandemic there had been no international travel.

## 7. Internal Audit – Tender for the Provision of Internal Audit Services

7.1 The Tender for the Provision of Internal Audit Services was reviewed and discussed.

7.2 Weightings were reviewed and suggested that 'Expertise and Experience' be increased and 'Understanding the Contract' be decreased.

**Action: Director (Finance, Personnel and Corporate Affairs) to check CPD guidance and report to Chief Executive on weightings.**

7.3 The Director confirmed that Grant Thornton's contract ends on 17 December 2020.

## 8. National Audit Office Audit Planning Report 2020-21

8.1 The Committee discussed the Audit Planning Report on the 2020-21 Financial Statements Audit, and in particular the assessment of the risk of management override of controls, assessment of the risk of fraud in revenue recognition and assessment for the provision for legal cases.

8.2 The Committee noted that the audit would also focus on the organisational uncertainty and governance changes and accounting for the accommodation move.

8.3 Ernst & Young have agreed with the Director (Finance, Personnel and Corporate Affairs) dates for the interim and final audit.

The interim audit will take place week commencing 22 February 2021. Final audit is scheduled to take place week commencing 10 May 2021.

## 9. Corporate Risk Register 2019-20

- 9.1 The Chief Executive updated the Committee on the Corporate Risk Register, which included highlighting the current status of the 'red' risks, namely litigation and staff capacity which are recorded as critical.
- 9.2 The Chief Executive reported that he expects to see a shift downwards by the next meeting due to the ongoing recruitment and the budget settlement for 2021-22 agreed with the NIO in November.
- 9.3 The Chief Executive highlighted that 'Failure in Good Governance' remains critical due to the ongoing concern with Commission's long term compliance with the UN Paris Principles and the Commission's own motion legal powers.  
**Action: Director (Finance, Personnel and Corporate Affairs) to follow up with ASM to exclude closed Risk Events from the Risk Register.**
- 9.4 The Committee highlighted that following the Comprehensive Spending Review settlement in 2021 consideration should be given to segregating the Risk Register between the Commission's Core and the Dedicated Mechanism.

## 10. Expenses of Chief Executive

- 10.1 The Committee reviewed and noted the expenses of the Chief Executive.
- 10.2 It was noted that there were no expenses for the Chief Commissioner.

## 11. Proposed Cash Flow Report

- 11.1 The Director (Finance, Personnel and Corporate Affairs) reported that a cash flow report would be introduced in the new financial year.

**Action: Director (Finance, Personnel and Corporate Affairs) to present the Cash Flow Report at the next Committee meeting.**

## **12. Financial Procedures Manual**

- 12.1 The Director (Finance, Personnel and Corporate Affairs) highlighted key changes, namely new Finance, Personnel and Corporate Affairs Officer post, new bank details, removal of cheque book, removal of petty cash and agile working arrangements.
- 12.2 The Committee reviewed, approved and signed off the Financial Procedures Manual.

## **13. Terms of Reference**

- 13.1 The Committee reviewed, approved and signed off the Terms of Reference.

## **14. Role Description – Audit and Risk Management Committee Chairperson**

- 14.1 The Committee reviewed the Role Description – Audit and Risk Management Committee Chairperson.
- 14.2 The Committee agreed that the daily fee was proportional due to the critical role of the Chairperson.
- 14.3 The Committee approved and signed off the Role Description – Audit and Risk Management Committee Chairperson.
- 14.5 It was agreed that the members of the Committee would be on the interview panel.

**Action: Director (Finance, Personnel and Corporate Affairs) to review person specification if recruitment drive is unsuccessful to determine if restrictive.**

**Action: Director (Finance, Personnel and Corporate Affairs) to advertise post by the end of this week on the website, social media and NIJobs.**

### **13. Any other Business**

13.1 There was no other business.

*The meeting closed at 10:40.*