



Meeting of the Audit and Risk Assurance Committee held on

05 October 2022 at 1.30pm

Room 1, Gordon Street Head Office

- Present:** Deirdre Fitzpatrick (Chair)
Claire Duffield
Michelle McGinley
Daire Murphy
Lee Wilson
Kevin McCabe
- In attendance:** Don Leeson (Chief Executive)
Paul Lowe (Director of Corporate Services)
Barry McLeod (Department for the Economy)
Christine Hagan (ASM)
Alison Tosh (Ross Boyd Chartered Accountants)
Stephen Brannigan (NI Audit Office)
Christine Magill (Boardroom Apprentice)
Oliver Murray (Executive Assistant)
- Apologies:** Wendy Carberry (Department for the Economy)
Karen Costley (NI Audit Office)
Ross Boyd (Ross Boyd Chartered Accountants)

Members of the Audit and Risk Assurance Committee (ARAC) met 'in-camera' before the meeting formally commenced. This was the first in-person meeting of the Audit and Risk Assurance Committee since the outbreak of the covid-19 pandemic.

The Chair welcomed everyone to the meeting, including Christine Magill who joins for the first time as Boardroom Apprentice, and Oliver Murray who joins as Executive Assistant.

Declarations of interest: no conflicts of interest were declared. The Chair advised attendees of the need to raise any conflicts that may arise during the meeting

1. Minutes of the Last Meeting

- 1.1 The minutes of the Audit and Risk Assurance Committee meeting held on 13 June 2022 (paper ARAC 01-10/22) were agreed as an accurate record.

2. Matters Arising from the Last Meeting

- 2.1 It was reported to the June ARAC that the planned relocation of Head Office to James House was now anticipated for 12 September 2022 with the lease on the Gordon Street premises being extended to 31 October 2022. However the Director of Corporate Services advised that as a result of further delays in the readiness of James House relocation was now scheduled for 6 December, with the lease on the Gordon Street premises being extended to February 2023 (paragraph 3.1 of the minutes of the last meeting refers).
- 2.2 The Director of Corporate Services advised that the draft Hybrid Working Policy and arrangements have been trialled since the start of summer. This initial trial has informed a reframing of the draft policy which is currently being finalised. Hybrid working will be fully piloted following relocation to James House (paragraph 3.3 of the minutes of the last meeting refers).
- 2.3 The Senior Leadership Team met on 27 July 2022 to plan next stages in the transformation programme. A subsequent meeting was held with the Senior Management Team on 24 August to discuss outline proposals for new team structures. This will now be subject to discussion with all staff as part of the staff conference scheduled for 24 November 2022, prior to formulating final proposals for Board approval (paragraph 3.5 of the minutes of the last meeting refers).

3. Chief Executive's Business

- 3.1 It was previously indicated that the Department of Finance would cover any additional costs resulting from the delay in moving to James House. However the Chief Executive clarified that these would now be subject to in-year bids through the Department for the Economy.
- 3.2 The Chief Executive noted the success of the Board Strategy Day held on 28 September in Malone House, Belfast. David Malcolm and Colin Jack from the Department for the Economy were thanked for their appearance and input.

- 3.3 The Chief Executive reported that the Independent Appeals process was being reviewed in line with the discussion at the September Board meeting. Legal advice will be taken before any final decisions are made.
- 3.4 The Chief Executive noted a number of disputes presently taking place within local government councils highlighting a lack of regional collective bargaining arrangements. This is a matter that the Agency will focus on in the coming months.

4 External Audit Matters

- 4.1 Report To Those Charged With Governance (paper ARAC 02-10/22)

Alison Tosh of Ross Boyd Chartered Accountants presented the final version of the report which was welcomed by Committee members.

- 4.2 It was noted that two recommendations which were previously rated as Priority 1 have been lowered to Priority 2 and that these have been accepted by Management.

- 4.3 The Chair reported to the Committee that one Priority 1 Recommendation to provide a Statement of Financial Position to the Board had been discussed at September Board Meeting. Having benchmarked against arrangements in other similar organisations, it was decided that this was unnecessary.

- 4.3 The Committee recorded its gratitude to everyone involved in completing the external audit exercise for 2021-22; NIAO colleagues, Ross Boyd's team and particularly the Agency's Finance team.

5 Internal Audit Matters – Audit Terms of Reference

- 5.1 Review of IT System Controls (paper ARAC 03-10/22)

Christine Hagan presented the draft Terms of Reference for the Review of IT Systems Controls. These were approved by the Committee. The review is scheduled to commence on 23 Jan 2023.

- 5.2 Review of Procurement and Contract Management (paper ARAC 04-10/22)

The Terms of Reference for the Review of Procurement and Contract Management were also approved by the Committee. The review is scheduled to commence on 21 Nov 2022.

5.3 Follow-up Review (paper ARAC 05-10/22)

The Terms of Reference were also agreed for the annual Follow-up Review exercise with a proposed start date of 20 February 2023.

6 Risk Management

6.1 Corporate Risk Register 2022-23 as at October 2022 (paper ARAC 06-10/22)

The Director of Corporate Services presented the Corporate Risk Register.

6.2 In light of recent discussions with one of the Agency's contracted IT Support providers an elevated **Risk 5 – IS Managed Services** has been assessed as 'extreme' and as such was escalated to Board level at the September Board meeting.

6.3 Additionally, a new risk cause (with accompanying controls and planned actions) has been included on the Register:

Failure to maintain effective IS support arrangements during interim phase of migration

6.4 The Register was noted by the Committee.

7 Register of Policies (paper ARAC 07-10/22)

7.1 The Director of Corporate Services presented the Register of Policies, highlighting that in addition to ICT policies the Agency also maintains 34 separate governance and people policies. On the basis of a three-yearly review cycle this requires on average the completion of one policy review by management and Trade Union Side per month which is an extremely challenging timetable. It was noted however that the majority of policy reviews are up to date.

8 Any Other Business

8.1 Audit and Risk Assurance Committee – Register of Contracts (paper ARAC 08-10/22)

The Director of Corporate Services presented the Register of Contracts.

8.2 Direct Award Contracts

The Director of Corporate Services confirmed that there have been no Direct Award Contracts since the last meeting.

8.3 External Guidance Documents Received (paper ARAC 09-10/22)

The Committee noted the list of relevant external guidance documents received by the Agency since the last meeting.

9 Record of Any Matters Arising from the in-camera session

9.1 The Chair updated the Committee on key areas as discussed at the Department for the Economy's ARAC Chairs Forum as held on 4 October 2022.

9.2 The Committee agreed to include updates in respect of 'Raising Concerns' as a standard agenda item for future meetings.

9.3 The Chair agreed to circulate the latest version of the National Audit Office's self-assessment tool for ARACs.

Action: The Chair

10 Date of Next Meeting

10.1 The next meeting will be held on 5 December 2022 at 10.00/10.30am. The venue will be confirmed.

Action: Director of Corporate Services