



**Meeting of the Audit and Risk Assurance Committee held on
12 June 2023 at 10.00am
Quigley Room, James House Head Office**

- Present:** Lee Wilson (Chair)
Clare Duffield
Kevin McCabe
Lee Wilson
- In attendance:** Deirdre Fitzpatrick (Former Chair, and adviser to the Committee)
Don Leeson (Chief Executive)
Paul Lowe (Director of Corporate Services)
Philip Whitehead (ASM) (Until Item 8.3)
Jamie Treacy (Baker, Tilly, Mooney, Moore Accountants)
Jane Gill (Ross Boyd Chartered Accountants)
Karen Costley (NIAO)
Paul Cassidy (Finance Officer)
Christine Magill (Boardroom Apprentice)
Oliver Murray (Executive Assistant)
- Apologies:** Laurence Rogers (Department for the Economy)
Barry McLeod (Department for the Economy)

The Chair welcomed everyone to the Committee meeting including former Committee Chair Deirdre Fitzpatrick. It was noted that the Board, with DfE's consent, has agreed that Deirdre should attend this meeting to provide continuity, given that the agenda is primarily looking back over performance and governance in 2022-23. Her role is that of an adviser to the Committee.

Paul Cassidy, Finance Officer was welcomed to this meeting which normally considers the accounts, audit and RTTCWG. Similarly welcomed was Jamie Treacy from Baker Tilly Moore who was in attendance to present the report on the accounts.

It was noted that this was Christine Magill's last Audit Committee and the Committee thanked her for input over the past year. Hopefully she has found the experience valuable.

Declarations of interest: Philip Whitehead (ASM) declared a potential conflict of interest regarding agenda item 11 (Any Other Business). It was agreed that this item would be held to the end of the meeting and ASM representatives would leave prior to that.

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 6 March 2023 (paper ARAC 01-06/23) were agreed as an accurate record.

2. Matters Arising from the Last Meeting

- 2.1 The Director of Corporate Services advised that due to the tight timeline planned for completion of the annual audit of the Annual Report and Accounts it was agreed to convene a single-issue discussion (via videoconference) in the week commencing 19 June to allow the ARAC to consider the provisional RTTCWG prior to it going to the Board on Friday 23 June. This meeting has now been scheduled.
- 2.2 Due to the tight timeline planned for completion of the annual audit of the Annual Report and Accounts it was agreed to convene a single-issue discussion (via videoconference) in the week commencing 19 June to allow the ARAC to consider the provisional RTTCWG prior to it going to the Board on Friday 23 June. This meeting has now been scheduled.
- 2.3 The Committee members completed the ARAC self-assessment exercise at the March meeting, and identified three potential areas for improvement:
 - Training needs for all ARAC members (not just new members) - This will be addressed when the new Board appointees are in place.
 - To consider Assurance Mapping for Extreme/High level risks - We have agreed to work up an example for the Committee to consider at a

future meeting to determine if this approach is beneficial.

- To review the ARAC Terms of Reference against the handbook - This exercise will be completed when the revised handbook becomes available.

3. Chief Executive's Business

- 3.1 The Chief Executive gave an update on a range of issues.
- 3.2 An update regarding the appointment of Board members was given. It remains the position that appointments are to be made by the Secretary of State. Extensions may be sought for members who have recently departed the Board, if willing. Further clarity is expected by the August Board meeting.
- 3.3 An update was given regarding the Agency's budget. Whilst the Agency has been advised of its budget, the formal allocation letter has not yet been issued by DfE. A draft budget will be prepared for the June Board meeting on the basis of the figures indicated by DfE.
- 3.4 An update was given regarding plans for the Transformation project, and planned staff appointments.
- 3.5 The pilot of the hybrid working policy is currently at evaluation. The evaluation will inform the final version of the policy and hybrid working arrangements. It will be completed in conjunction with Trade Union Side.
- 3.6 An update was given on the Regional Office lease, which will end next year. Alternative arrangements are being considered for a new premises.

4 External Audit Matters

- 4.1 The Chief Executive presented the Annual Report and Accounts for 2022-23 (paper ARAC 02-06/23), which was approved by the Committee.
- 4.2 Performance figures for the year were examined, with thanks given to staff, who have performed well under trying circumstances.
- 4.3 Jamie Treacy, Baker Tilly Moore, presented the accounts and explained the figures.

- 4.4 The Committee will convene again via videoconference on Monday 19 June to consider the RTTCWG prior to it going to the Board on Friday 23 June.
- 4.5 A verbal report will be provided to the June Board in respect of the ARAC meeting planned for 19 June.
- 4.6 Thanks were recorded for everyone involved in producing and auditing the Annual Report and Accounts, particularly the Finance Officer Paul Cassidy who has done an excellent job in co-ordinating things throughout the exercise.

Action: Executive Secretary

5 Internal Audit Matters

- 5.1 Phillip Whitehead, ASM, presented the Follow-up Review (paper ARAC 03-06/23) and the Annual Assurance Report on the Review of ICT Systems Controls (paper ARAC 04-06/23) – which were accepted by the Committee.

5.2 Follow-up Review

This report was a review of recommendations from previous internal audits and a report on whether they had been implemented. The table below gives a summary:

System	Appendix Reference	Number of recommendations made/ outstanding	Number of recommendations fully implemented	Number of recommendations partially implemented	Number of recommendations not implemented
Review of information management	B	5	2	-	3
Review of Early Conciliation	C	3	2	-	1
Corporate governance	D	4	4	-	-
Follow up of previous internal audit recommendations	E	7	4	1	2
Total		19	12	1	6

DCS provided an update on plans for the implementation of recommendations yet to be fully implemented. These relate to:

- i. The inclusion of specific references to the requirements of the legislation within the Data Protection Policy
- ii. Delivery of a briefing and training session to staff on the Hybrid Working Policy, when finalised

- iii. Obtaining clarity from the Department as to the length of time the Agency is expected to hold and maintain case record information after a case is deemed closed
- iv. Ensuring that training attendance records held on PAMS are accurate
- v. Sourcing adequate business continuity training for the IMT [Incident Management Team] and the Business Continuity Plan Owner

The documentation of arrangements in relation to accelerated procurement within the Agency’s Business Continuity Plan

- **Annual Internal Audit Assurance Report 2022/23**

All planned internal audit work was completed, based on the agreed plan from 13 June 2022. There were no significant issues to note and the following opinion was stated:

*‘In our opinion, during the period from 1 April 2022 to 31 March 2023, LRA’s systems in relation to risk management, control and governance were adequate and operated effectively thereby providing **satisfactory** assurance in relation to the achievement of LRA’s objectives.’ (ASM, 23 May 2023)*

Below is a summary of the audits, assurance ratings and priority recommendations.

System	Date of final report	Assurance rating	Number of recommendations by priority		
			1	2	3
Procurement and contract management	13 February 2023	Satisfactory	-	2	5
IT system controls	2 March 2023	Satisfactory	-	2	3
Total recommendations			-	4	8

5.3 It was noted that ASM met or exceeded all of their KPI’s for delivery of the audit work. The Committee expressed thanks to Philip Whitehead and Christine Hagan of ASM for their work and effective communication.

6 Risk Management

6.1 The Director of Corporate Services presented the Draft Corporate Risk Register for 2023-24 (as at June 2023) (paper ARAC 05-06/23), which

has been developed following the risk workshop as facilitated by Joy Allen with Board Members and the Agency's management team on 19 May 2023, which was reviewed by the Committee.

- 6.2 •The risk register will be presented to the June Board meeting for approval.

7 Raising Concerns/Whistleblowing

- 7.1 No updates were reported.

8 Any Other Business

8.1 Annual Report to the Board

Deirdre presented the Annual Report to the Board (paper ARAC 06-06/23) as a draft for consideration prior to submission to the June Board

8.2 Direct Award Contracts agreed since the last meeting

The Director of Corporate Services advised that a Direct Award Contracts has arisen in relation to the support contract for the Agency's HR information system. This occurred by virtue of renewal of the annual support service for the system taking the total value on the contract above the minimum threshold for DAC's. The Agency is in the process of completing the necessary documentation as required for a DAC of this nature. DCS noted that the Agency would be re-procuring a HR system this year.

8.3 External Guidance Documents Received

As this was a potential conflict of interest, Philip Whitehead left the meeting at this stage. The Director of Corporate Services presented External Guidance Documents Received (paper ARAC 07-06/23), which was noted by the Committee.

Review of external guidance documents provided – guidance notes of relevance on the following were noted:

- Guidance on the format of the Remuneration Report
- Pay Remit approval process and Guidance

8.4 Tender Specification for the Provision of Internal Audit Services

The Director of Corporate Services presented Tender Specification for the provision of internal audit services (paper ARAC 08-06/23), which was noted by the Committee.

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

9.1 An update was provided on the in-camera session which included the annual meeting between the Committee and both Internal and External Audit. The Committee noted the positive working relationships that have developed between the Agency and NIAO and ASM respectively. No issues of concern were noted.

10 Date of Next Meeting

The next ARAC meeting will be held via video conference on Monday 19 June 2023 at 12.30pm to consider the RTTCWG.

The next routine meeting of the Committee will be held on 11 September 2023 at 10/10.30am in James House.