

Audit and Risk Assurance Committee

Minutes

| Meeting Overview | |
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| Meeting: | Location |
| Audit and Risk Assurance Committee | MS Teams |
| Date: | Time: |
| 11 December 2024 | 2.00 pm |

| Attendees | |
|-------------------|------------------------------------|
| Name | Title |
| David Small | ARAC Chair |
| Fiona Ryan | Commissioner |
| Craig Gartley | ARAC Member |
| Joy Hadden | ARAC Member |
| Joanne McComb | Head of Office, COSICA |
| Susie Harper | Head of Corporate Services, COSICA |
| Lisa McCord | Accountant, COSICA |
| David Hall | Grade 7, TEO HIA/ Sponsor Branch |
| Stephen Lindsay | Partner, Cavanagh Kelly |
| Andrew Allen | Audit Manager, NI Audit Office |
| Note Taker | Title |
| Ruth Jordan | PA & Corporate Services |

| Agenda Item | | |
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| 1 | APOLOGIES | Action |
| | No apologies noted. | |
| 2 | COMMISSIONER'S UPDATE | Action |
| | <p>The Commissioner advised the ARAC that it had been a busy quarter for the Office of the Commissioner.</p> <ul style="list-style-type: none"> • <u>Statutory Review</u> – Report by Professor Alexis Jay expected around 20 December. It will be shared with The Executive Office and The Office of the Commissioner for fact checking before going to the First and deputy First Minister. • Discussion took place around interim arrangements which would need to be considered should the Office close in December 2025. The Chair acknowledged that clarity was needed from the independent Review. • <u>Services Consultation</u> – 126 responses received with preliminary top line results showing the ongoing need for services. Results will be shared with stakeholders in advance of the review of services and will form a programme of work for the Advisory Panel. • <u>Advisory Panel</u> – Closing date extended until 29 November. Expressions of Interest have been received and an independent HR company will conduct a sift to establish remit, then to shortlist and interview during January 2025. • <u>HIA Redress Board</u> – The closure for Redress applications is 2 April 2025. The Office of the Commissioner will maintain its focus on creating awareness of Redress and services. | |

| 3 | CHAIR'S BUSINESS | Action |
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| | <ul style="list-style-type: none"> • No Conflict of Interests; • No Fraud reported; • Nothing on Register of Gifts & Hospitality; • No Whistleblowing complaints. <p>The Chair advised that he met with Professor Jay and that she recognised the importance of governance. She was also aware of the restraints on the remit of the Office.</p> <p>The Chair stated that he wanted to progress elements of the ARAC self-assessment work including focus around risks. The intention would be to carry out a deep dive on one risk and look at controls and mitigations; possibly around data protection.</p> | |
| 4 | MINUTES OF PREVIOUS MEETING | Action |
| | <p>The minutes of the previous meeting on 18 September 2024 were accepted.</p> | |
| 5 | MATTERS ARISING | Action |
| | <p>All complete.</p> | |
| 6 | BUSINESS PLANNING | Action |
| | <p>The Commissioner stated that the Office would continue to plan for 2025/26 with the Review decision pending. Meeting scheduled for January 2025 to inform the 2025/26 Business Plan process.</p> | |
| 7 | RISK REGISTER & RISK MANAGEMENT POLICY | Action |
| | <ul style="list-style-type: none"> • Risk Management Policy – Amendment to risk register template was noted. • Risk Register: <ul style="list-style-type: none"> ➢ <u>Risk 1: Legislative timeframe on tenure of Office</u> – This would become clearer in the next quarter once decision made by Ministers. ➢ <u>Risk 2: Monitoring of the HIA Redress Board</u> – D Small suggested that this risk be removed as the Office of the Commissioner had done all that was possible within legislative constraints to monitor Redress. S Lindsay agreed. | |

| 7 | RISK REGISTER & RISK MANAGEMENT POLICY continued | Action |
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| | <ul style="list-style-type: none"> ➤ <u>Risk 3: The wider political implications and sequencing at HIA programme level</u> – being managed. The Commissioner stated that there were key developments expected in 2025 in relation to Mothers and Babies Institutions, Magdalene Laundries and Workhouses and Historical Clerical Child Abuse which are adjacent and potentially intersecting issues for the Office of the Commissioner. ➤ <u>Risk 7: Data Management</u> – The Chair advised that this would be reviewed in detail through the intended specific risk focus at the March 2025 meeting. The Commissioner clarified that the Office held minimal personal information on victims and survivors on an internal standalone database (AdvicePro) that was not attached to the NICS Content Manager records management system. C Gartley added that he had an infographic map he could share with J McComb and S Harper. | |
| 8 | FINANCE UPDATE | Action |
| | <p>L McCord presented the Finance update for Quarter 3 2024-25, noting the following:</p> <ul style="list-style-type: none"> • <u>October Monitoring Round</u> – budget allocation letter was issued to the Office of the Commissioner on 8 November 2024, confirming an updated budget of £885k. • <u>January Monitoring Round</u> – no pressures or easements on the budget. There was a request for additional Grant in Aid of £50k. This is to serve as a contingency, to prevent any unexpected breach in Grant in Aid at year end due to the automatic cash drawdown process. • <u>Grant in Aid</u> – noted in the October monitoring letter as £927k. Awaiting confirmation of £50k request in January monitoring round. • <u>TEO Consolidated Annual Report and Accounts</u> – there was a small issue when reconciling the Cashflow figures in the consolidation template. This appeared to be an issue with the consolidation template, not Office of Commissioner’s figures and the TEO Consolidation team were looking into it. Current variance £2k, not material. TEO Consolidation team to confirm exact date but aim for consolidation packs to be returned late January 2025. • <u>Other</u> – Audit fieldwork for the 2023-24 NIAO audit complete and the draft RTTCWG included in ARAC papers. <p>August 2023 pay award received DoF approval on 7 October and applied to October pay for COSICA staff.</p> | |

| 8 | FINANCE UPDATE continued | Action |
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| | <ul style="list-style-type: none"> • <u>Other (contd.)</u> – The Commissioner’s 2023 pay uplift had not been applied. The latest communication from TEO sponsor branch indicated the matter was currently with Corporate Governance Branch and required TEO AO approval before going to DoF for final approval. D Hall added that TEO were seeking additional legal advice in relation to the Commissioners pay. • C Gartley said it was good news on the 2023 pay award and October monitor bid approval. • C Gartley enquired if there was sufficient time to use the budget within the financial year. L McCord said that she holds monthly Finance and Budget Holder meetings with management to discuss spend. Budget is allocated to meet business objectives. • C Gartley shared that he attended a TEO meeting and advised that the department is planning a flat budget for 2025-26, based on the opening 2024-25 budget and suggested business plans would need to be understood in this context. • L McCord said that would be a concern as the opening 2024-25 budget was based on 2023-24 actuals, when the Office was understaffed and there were significant savings in salaries. C Gartley asked what assumptions have been used for the 2024 Pay Remit, L McCord confirmed a 4% increase has been factored in, per TEO guidance. | |
| 9 | INTERNAL AUDIT | Action |
| | <p>S Lindsay stated that Cavanagh Kelly had completed an Internal Audit of Communications and Engagement; Terms of Reference drafted for the Governance Audit and would like to explain what the plan would be this year.</p> <ul style="list-style-type: none"> • <u>Communications and Engagement Audit</u> – ‘satisfactory’ assurance in relation to the adequacy and effectiveness of the communications and engagement arrangements reviewed within COSICA. Overall, there was a strategic approach taken to meet statutory responsibilities utilising the UK Government’s ManCom3 framework in relation to communications. <p>Two Priority 3 recommendations were listed as enhancements to existing controls. S Lindsay advised that there was significant evidence of recruiting staff with critical skills in the area and that a trauma-informed approach was being used in relation to engagement.</p> | |

| 9 | INTERNAL AUDIT continued | Action |
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| | <p>The Chair stated that the report was very detailed and impressive giving assurance to the ARAC that communications and engagement undertaken by the Office were strategic and aligned to business objectives. He added that the recommendations were not addressing weakness but rather should strengthen the overall strategic approach to communications.</p> <p>S Lindsay stressed the importance of sustained activity and consistency in reaching victims and survivors. J Hadden added that it was a very important report and that having that strategic approach was crucial. The Commissioner thanked Cavanagh Kelly for their work and emphasised the investment of the Office in communications and engagement.</p> <ul style="list-style-type: none"> • <u>Annual Internal Audit Plan 2025/26</u> - On the assumption that the Office will be operating as is in 2025, Cavanagh Kelly will commit to 20 days between April-December 2025. S Lindsay suggested auditing data governance, financial management, Human Resources. • <u>Governance Audit</u> - The draft Terms of Reference have been circulated and Governance audit will commence December/January. This audit will look at Operations of ARAC; Complaints handling; Whistleblowing; Business Planning. The Terms of Reference were noted. | |
| 10 | EXTERNAL AUDIT | Action |
| | <p>A Allen introduced and reviewed the Draft Report to those Charged with Governance for 2023-24.</p> <ul style="list-style-type: none"> • <u>Significant Risk 1: Management override of controls</u> - No additional significant risks were identified. Priority 2 finding. • <u>Finding 1 - Grant in Aid Breach</u> - 2023-24 GIA budget exceeded by £7k. Recommendation that management should ensure that others within the organisation have been trained to prepare the Consumption Report and make accurate cash forecasts. In addition, there should be on-going review of the value of invoices approved for payment to ensure that the GIA budget is not exceeded. <p>No misstatements identified; no uncorrected misstatements; No irregular expenditure identified during the course of the audit.</p> | |

| 10 | EXTERNAL AUDIT continued | Action |
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| | <p>The Chair replied that it was very positive to receive an unqualified audit. He added that the organisation recognised the risk in relation to the recommendation relating to Grant in Aid, but were carefully considering the management response, given the size of the organisation and accounting/financial expertise and resources.</p> <p>Discussion took place in relation to the Grant in Aid breach and the Commissioner advised that due to the size of COSICA, the risk was hardwired into the organisation. She added that she agreed with the intent of the recommendation; and the challenge was how to manage the risk. The senior team would prioritise looking at options and revert to the ARAC.</p> <p>A Allen expressed his concern that the expertise was with one person, leaving the organisation exposed. The Commissioner accepted this in principle and as Accounting Officer thanked NIAO for highlighting the risk. She assured A Allen that the senior team would urgently work to find a solution to address the issue. C Gartley acknowledged the Grant in Aid issue and management's response to partially accept the recommendation. He advised it may be prudent to work in partnership with The Executive Office to find a solution.</p> | |
| 11 | AUDIT RECOMMENDATIONS TRACKER | Action |
| | Tracker updated and reviewed. | |
| 12 | DAO LETTERS | Action |
| | Read and noted. | |
| 13 | AOB | Action |
| | No other business. | |
| | <u>Date of next Meeting:</u> Wednesday, 12 March 2025 at 11.00 am (MS Teams) | |

| ARAC ACTIONS | | | | |
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| Action Point | Agenda Item | Action | Responsible | Status |
| 1 | 7 – Risk Register | SH to update risk register with feedback provided. | S Harper | Complete |
| 2 | 10 – External Audit | SMT to produce options matrix to address NIAO recommendation and revert to ARAC. | S Harper | Complete |

Agreed by ARAC Chair D Small

1 April 2025