

**Meeting of the Audit and Risk Assurance Committee held on**

**06 March 2023 at 10.00am**

**Quigley Room, James House Head Office**

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

Members of the Audit and Risk Assurance Committee (ARAC) met 'in-camera' before the meeting formally commenced.

The Chair welcomed everyone to what may be the final ARAC for some Committee members. In explaining the change of Chair, best wishes were extended for a full and speedy recovery to Deirdre Fitzpatrick on behalf of the Committee.

**Declarations of interest:** Philip Whitehead (ASM) declared a potential conflict of interest regarding agenda item 10 (Business Case for the provision of Internal Audit Services). 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 5 December 2022 (paper ARAC 01-03/23) were agreed as an accurate record.

## **2. Matters Arising from the Last Meeting**

- 2.1 The Director of Corporate Services advised that actions from the previous meeting related to presentation of internal Audit reports and the Audit Strategy, both of which are substantive items on today's agenda.
- 2.2 No other matters arising were identified.

## **3. Chief Executive's Business**

- 3.1 Wendy Carberry (DfE) provided an update on pending Board appointments indicating the current thinking that in the continuing absence of a Minister these will be made by the Secretary of State. There is also a possibility of extensions being sought for current members, if willing. The Chief Executive advised that an induction paper will go to the March Board.
- 3.2 The response from attendees in relation to the Employment Relations Conference (23 February) has been positive. The Agency will establish a microsite on its website to host relevant information pertaining to the event.
- 3.3 In respect of accommodation, the Gordon Street premises are now vacated and the lease has been terminated. Future Regional Office accommodation arrangements will be considered within the 2023-24 Business Plan. The Committee noted its gratitude to Diane Edgington, Paul Herink and the wider team for their work on the relocation exercise.
- 3.4 The Chief Executive briefed the Committee on the budget expectations for 2023-24 in light of ongoing discussions at DfE and DoF levels. Cuts of up to 20% are expected in some Departmental areas with the largest programme expenditure. It is anticipated that the Agency will not face

similar cuts in funding.

- 3.5 The Committee was apprised of recurring difficulties in attracting suitable candidates to the IS Manager and Communications Manager post. Salary levels are believed to be the limiting factor. The Agency will consider alternative ways of resourcing IT exercises within the 2023-24 Business Plan.
- 3.6 It was noted that the Agency has taken a decision to dispense with the use of petty cash and move to a contactless payment card.
- 3.7 Wendy Carberry (DfE) queried the position in regards to the Business Case covering the move to IT Assist. The Director of Corporate Services advised that the difficulties in recruiting a second IS Manager alongside other pressing IT priorities has compelled the Agency to review the planned programme of IT work with a view to identifying possible contingencies and revised timelines. The development of the IT Assist Business Case will be revisited in light of this planning.

#### **4 External Audit Matters**

- 4.1 NIAO and Ross Boyd Chartered Accountants presented the audit strategy and set out plan for this year's audit (paper ARAC 04-03/23).
- 4.2 Due to the tight timeline planned for completion of the audit 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.

**Action: Executive Secretary**

#### **5 Internal Audit Matters**

- 5.1 ASM presented the reports on the Review of Procurement (paper ARAC 03-03/23) and the Review of ICT Systems controls (paper ARAC 04-03/23) for noting by the Committee.
- 5.2 Both reviews resulted in a 'Satisfactory' level of assurance with no priority 1 recommendations identified.
- 5.3 All priority 2 and 3 recommendations have been accepted by the Agency and plans are in place to action them.

## **6 Risk Management**

- 6.1 The Director of Corporate Services presented the Corporate Risk Register as at March 2023 (paper ARAC 05-03/23) for noting by the Committee.
- 6.2 The Director of Corporate Services highlighted that 2022-23 has proved to be a challenging year in a very volatile environment. However the relevant risks were identified and the controls put in place were effective in mitigating or managing them throughout the year.
- 6.3 It was noted that the IT risks remain an ongoing feature and it has proved to be an area of particular difficulty sourcing the required level of resource capacity. It was confirmed that the second IS Manager due to take up post in April 2023 has now declined the appointment.
- 6.4 A risk workshop will be convened early in the new financial year to develop a revised Corporate Risk Register for 2023-24.

## **7 Raising Concerns/Whistleblowing**

- 7.1 No updates were reported.

## **8 Any Other Business**

### **8.1 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 06-03/23)**

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

### **8.4 Business Case for the provision of Internal Audit Services (paper ARAC 07-03/23)**

The Director of Corporate Services presented the business case for the future provision of Internal Audit Services. The preferred option as noted by the Committee is re-procurement of Internal Audit services by way of an external tender exercise. The procurement specification will be considered by the Committee at the June 2023 meeting.

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

9.1 The Committee members completed the ARAC self-assessment exercise, and identified the following as potential areas for improvement:

- With the imminent change in members of the Board – to consider training needs for all ARAC members (not just new members)
- To consider Assurance Mapping for Extreme/High level risks
- To review the ARAC Terms of Reference against the handbook

## **10 Date of Next Meeting**

The next ARAC meeting is scheduled for 12 June 2023.

In Closing, whilst it was noted that there may still be some uncertainty around the progress of new Board appointments, the Committee acknowledged the significant contributions and support provided by those Committee Members who are due to step down and for whom this would represent their final Committee meeting, including Deirdre Fitzpatrick, Michelle McGinley and Daire Murphy. These sentiments were echoed by the Chief Executive and Director of Corporate Services.