

**Minutes of Audit and Risk Assurance Committee (ARAC)
Meeting Tuesday 4 May 2021 at 11.30 am (Remotely via zoom)**

Members Present: Noel Hyndman (Chair)
Marie Mallon
John Turkington

In Attendance: Martin Pitt (Chair Advisory Board - at the invitation of the Chair of ARAC)
Rodney Allen (Chief Operating Officer)
Colette Kane (Director) –agenda item 4
John O’Rourke – External Audit
Lee Glover – Internal Audit
Joe Campbell (Audit Manager) – agenda items 7 and 8
Richard Ross (Audit Manager) – agenda items 5 and 6
Louise Donnelly (Committee Secretary)

The Chair welcomed everyone to the meeting.

The Chair formally congratulated Rodney Allen on his recent appointment to the post of Chief Operating Officer at NIAO.

1. Apologies

Apologies were noted from Brian McFetridge, members welcomed John O’Rourke attending in his place.

2. Declaration of Conflicts of Interest

The Chair noted a possible conflict at agenda item 9 with the attendance of Lee Glover. It was agreed that Lee would leave the meeting during that discussion and re-join for agenda item 10.

3. Minutes of Meeting held on 19 January 2021 and Matters Arising

Minutes of the meeting held on 19 January 2021 were approved. The Matters Arising were noted as updated.

4. Risk Management

COVID 19 Risk Register

Colette Kane presented the register and advised that the Senior Management Team (SMT) had reviewed the register at their meeting held on 20 April 2021. Changes made were highlighted for member’s convenience.

Members were asked to note the register had been updated to align to the new Corporate Strategic Priorities. The following key areas were also discussed:

- Operational audit issues
- Contract management
- The risks surrounding decant and relocation to Bradford Court.

Corporate Risk Register (CRR)

Colette advised that the SMT has agreed to revert back to the CRR and that work will now commence on incorporating the COVID 19 risks into the CRR as the NIAO moves out of restrictions and looks beyond the COVID issues which have dominated risk management for the past year.

Looking ahead, it was agreed that a separate workshop session for ARAC members would be scheduled for later in the year on the subject of risk appetite and management; this was viewed as potentially particularly useful for the NEDs. An indicative date sometime in October/November would seem appropriate in order to facilitate an in-person event. It was agreed that the Chair to liaise with Colette Kane to scope this out and agree a date.

5. External Audit

John O'Rourke referred members to the external audit strategy presented at the January ARAC meeting. He advised ARAC members that current target dates were likely to be achieved with the first draft of the accounts expected from NIAO this week. Richard Ross confirmed the first draft would be available to BTMM on Friday (7 May 2021).

6. Internal Audit

Internal Audit Reports

Lee Glover presented reports on Business Transformation, HR Health Check and Training and Development. All reports received an overall assessment of "Satisfactory" with some minor actions required relating to HR Health Check and Training and Development. ARAC noted the reports and actions required.

Follow up report on internal audit recommendations

Internal Audit reported contentment with the arrangements in place for the tracking of internal audit recommendations but recommended the retention of two previous recommendations for further consideration. This was agreed.

Annual Assurances

The Internal Audit Annual Report 2020/21 was presented. Lee Glover briefed members on the content and reported an adequate and effective opinion on the Office's risk management, control and governance processes.

7. Report Tracking Implementation of Audit Recommendations

Internal Audit Recommendations

Joe Campbell presented a report detailing the work undertaken by management since ARAC last met in January. Two "green" recommendations remained outstanding, while one further "green" recommendation was in the process of implementation.

External Audit Recommendations

As reported in the January 2021 ARAC meeting, no recommendations were outstanding.

Members noted the position and the Chair commended Joe Campbell on the improved presentation of information in the report.

8. Fraud, Raising Concerns and Complaints report

Joe Campbell advised members that no new fraud or whistleblowing cases had arisen in the period. He then provided an update on the current position regarding three ongoing complaints.

Lee Glover left the meeting.

9. Internal Audit Procurement Update

Rodney Allen provided an update on progress and advised that an evaluation panel had been established. The panel is scheduled to complete the evaluation exercise during the week commencing 10 May 2021, with a view to awarding the new contract during the week commencing 17 May 2021. It was noted that this process is within the required timeline, given that the current contract with Haines Watts expires on 23 June 2021. Members noted the current position, including the inclusion of a member of ARAC on the evaluation panel.

Lee Glover re-joined the meeting.

10. ARAC Terms of Reference (TOR) Review

Members reviewed the TOR and confirmed they were content subject to minor changes for internal consistency in the document.

The Chair referred to the requirement in the TOR that ARAC annually review its own effectiveness and report the results of that review to the Advisory Board. After discussion, it was agreed that an Audit Committee self-assessment review would be issued to members for completion, with the results being considered at the next meeting of ARAC in June.

11. Current Policies to note:

- Anti-Fraud Policy
- Fraud Response Plan
- Raising Concerns Policy
- Crisis Management Plan

Members were content to note the papers presented, each of which contained minor updates.

12. AOB

No items were listed or raised.

13. Dates of next meetings were agreed:

17 June 2021

21 September 2021

14. The Committee met with External and Internal Audit for private discussions.