

**Minutes of Audit and Risk Assurance Committee meeting
Wednesday 24 September 2019 at 11.30am**

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

In Attendance: Martin Pitt (Chair Advisory Board - at the invitation of the Chair of ARAC)
Pamela McCreedy (Chief Operating Officer)
Rodney Allen (Director)
Colette Kane (Director) –agenda item 4
Joe Campbell (Audit Manager) – agenda item 4
Conor McGeown (Senior Auditor) – agenda item 4
Philip MacDonald (GTA) – agenda item 4
Brian McFetridge – External Audit
David Long – Internal Audit
Louise Donnelly (Committee Secretary)

The Chair welcomed members to the meeting.
<p>1. Apologies No apologies were noted.</p>
<p>2. Declaration of Conflicts of Interest There were no issues declared by Committee members or attendees.</p>
<p>3. Minutes of Meeting held on 11 June 2019 and Matters Arising Minutes of the meeting held on 11 June 2019 were agreed. The Matters Arising were noted as updated.</p>
<p>4. Risk Management Risk Management Workshop Session Members of the Corporate Risk Register Working Group (CRRWG) were introduced and welcomed to the meeting.</p> <p>Colette Kane introduced the session and explained the workshop would be divided into two parts. The first session would involve a presentation by members of the CRRWG providing an Overview of Risk Management in NIAO. Secondly, members would be briefed on the revised Corporate Risk Register.</p> <p>The presentation was carried out by two members of the CRRWG and provided a comprehensive overview of risk management in NIAO.</p> <p>Colette Kane briefed members on the Corporate Risk Register. The revised register had previously been considered by SMT at their meeting on 17 September 2019. All revisions made were highlighted in red for members’ convenience.</p>

Martin Pitt queried the membership of the CRRWG and asked if any non-audit staff were on the team. Colette Kane advised there was a wide range of grade mix on the team and that Joe Campbell essentially represented Corporate-service staff as he was a member of the Corporate/Business Support team. A query was then raised regarding the monitoring of high inherent risks with low impact and low likelihood. Martin Pitt queried what assurances could be given. Colette Kane explained how this is kept under review by the Group.

The Chair and members thanked the group for the session all agreeing they all found it informative and worthwhile.

5. External Audit

Final Report to those charged with governance 2018-19

External audit presented their report, summarising the key findings of the audit of the 2018-19 financial statements in respect of the year ended 31 March 2019. The scope and approach of the audit was communicated by an audit plan presented to the Committee on 7 May 2019.

Brian McFetridge confirmed the audit was conducted fully in accordance with the plan.

Two minor internal-control issue weaknesses were identified, but neither of these directly impacted on the financial statements. External Audit have agreed the management response to these recommendations. Members discussed the points and noted management's intended handling of the matters.

6. Internal Audit

Tranche 1 Report

Overall assurance levels were assessed as satisfactory with only minor recommendations made in the areas of Corporate Governance, Management of Contracted-out Audits and Miscellaneous Financial Controls.

Internal Audit were satisfied with the management responses and agreed actions to remedy the potential control weaknesses identified.

Martin Pitt asked for clarity in the wording of the Corporate Governance report relating to the C&AG and his position as corporation sole (*vis-à-vis* the position in England and Wales).

With regard to the management of contracted-out audits, Martin Pitt queried the potential for NIAO to miss complaints from auditees about the handling of contracted-out audits. He suggested that visits to a sample of contracted-out audits might be appropriate (without the contractor being present). Pamela McCreedy advised that, in her role as Chief Local Government Auditor, she held one-to-one meetings with all councils. In addition, she advised that an auditee survey was currently underway with all audited bodies.

Progress Report on Outstanding Recommendations

Members were updated on NIAO progress on the implementation of audit recommendations. Martin Pitt asked for clear revised target dates where progress on recommendations had been delayed. Rodney Allen noted this and gave a revised date for one of the outstanding matters.

7. Fraud Whistleblowing and Complaints Report

Members noted the position from the previous meeting held on 11 June 2019 with no new fraud or whistleblowing cases arising in the period and one new complaint received.

Martin Pitt briefed members on two matters which have been drawn to his attention and which are potential whistleblowing concerns. He indicated that the matters were being considered in accordance with the whistleblowing procedures and would be investigated on that basis if they met the whistleblowing criteria. Martin Pitt indicated he had briefed the NEDs on the details of both matters in private session.

8. AOB

- Martin Pitt drew members' attention to the Kingman Report, in particular the points adapted by the National Audit Office. He asked management to consider engagement/consultation opportunities in the future and quality of audit arena (i.e. Kingman, Brydon and Redmond reviews).
- A schedule of dates proposed for meetings in 2020 were agreed.
- Date of next meeting 28 January 2020 @ 11.30am.

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

Audit and Risk Assurance Committee

24 September – Matters arising from the meeting

ISSUE	TARGET DATE	RESPONSIBILITY	PROGRESS/ OUTCOME
Issues arising from meeting of 24 September			
Internal Audit Clarity requested re the wording of the Corporate Governance report relating to the C&AG and his position as corporation sole in comparison to England and Wales.	30 September 2019	R Allen	Complete - Revised wording agreed with Internal Audit and report finalised.
The Kingman Report - Management to consider engagement/consultation opportunities in the future and quality of audit arena i.e. Kingman, Brydon and Redmond reviews.	28 January 2020	P McCreedy	Complete – NIAO provided a specific paper on the Redmond Review.