

**Minutes of Audit and Risk Assurance Committee (ARAC)
Meeting Tuesday 22 September 2020 at 11.30 am**

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
Conor McGeown (Senior Auditor) – agenda item 4
Brian McFetridge – External Audit
Lee Glover – Internal Audit*
Louise Donnelly (Committee Secretary)*
(*attended online)

<p>The Chair welcomed members to the meeting.</p>
<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 21 July 2020 and Matters Arising Minutes of the meeting held on 21 July 2020 were agreed. The Matters Arising were noted as updated.</p>
<p>4. Risk Management</p> <p>Sub Register for COVID 19 and associated actions Colette Kane briefed members on changes made to the Register since the July ARAC meeting. Discussion followed around the partial reopening of the Office and staff attendance during the opening times. Members commended NIAO for continuing to prioritise the welfare, health and well-being of staff in the current challenging climate and for their methods and frequency of communication with staff during the ongoing pandemic. Further discussion took place on the development of the ‘controls operating’ section of the Register and how the descriptive narrative could be improved. Colette Kane advised members that all suggestions would be taken on board by the Corporate Risk Register Working Group (CRRWG) at their next meeting.</p> <p>Presentation on the Orange Book Conor McGeown, a member of the CRRWG, was welcomed to the meeting. Conor provided an overview of the HM Government’s Orange Book (Management of Risk – Principles and Concepts) to members, he concluded by advising members that it was the view of the CRRWG that NIAO (through its Risk Management Strategy document, which was reviewed and discussed also) fully complies with the principles of the Orange Book.</p> <p>The Chair and members thanked Conor for the presentation, all agreeing they found it informative and worthwhile.</p>

<p>5. Annual Report and Accounts 2019-20</p> <p>Rodney Allen advised that the draft 2019-20 Annual Report and Accounts will be presented to the C&AG for signature now that the IT assurances have been received. The final report will be laid at the NI Assembly and published on the NIAO website in the coming days.</p>
<p>6. External Audit Update</p> <p>External audit presented their final report summarising their key findings in connection with the audit of the financial statements in respect of the year ended 31 March 2020. Brian McFetridge confirmed the audit was conducted fully in accordance with the audit plan presented to ARAC on 28 January 2020. Members were advised of one minor amendment to the Letter of Representation reflecting the uncertainty associated with property valuations (issue discussed at ARAC on 21 July 2020).</p>
<p>7. Internal Audit Reports</p> <p>Internal Audit presented reports on Accommodation and Strategic Planning and Risk Management. Both reports provided satisfactory assurances, with minor recommendations made on the Strategic Planning and Risk Management report.</p> <p>ARAC noted the contents of the reports.</p>
<p>8. NIAO Report Tracking Implementation of Audit Recommendations</p> <p>Members were updated on NIAO progress on the implementation of audit recommendations. Currently seven recommendations remain outstanding with ongoing work in progress to address these. Martin Pitt sought clarity on a target date for the introduction of the new financial procedures manual. Rodney Allen advised that he expected this to be in place for the end of 2020. In addition, he expected the outstanding audit recommendations to have been fully implemented/dealt with before the next meeting of ARAC.</p>
<p>9. Internal Control Issues</p> <p>Rodney Allen briefed members on two internal control issues relating to finances and IT. He provided assurance on the steps taken to improve controls. Members welcomed the fact that the matters had been satisfactorily resolved but expressed disappointment at the weakness in financial control regarding the finance issue. In relation to this, management were encouraged to look at further preventative system changes to minimise the likelihood of reoccurrence.</p>
<p>10. Fraud, Whistleblowing and Complaints Report</p> <p>Rodney Allen advised members that no new fraud or whistleblowing cases had arisen in the period. One existing matter of complaint remains open.</p>
<p>11. Remaining Assurances:</p> <ul style="list-style-type: none"> • IT Assurance Statement ARAC was provided with assurances that the Office had adequate arrangements and controls in place in 2019-20 to oversee and manage IT services. • SMT and Non-Executive Director Expenses Members noted the information presented and approved the onward progression to publication on the NIAO website.
<p>12. AOB</p> <p>No items listed or raised.</p>
<p>13. Proposed Dates for 2021 meetings:</p>

Dates agreed: ARAC
19 January 2021
4 May 2021
17 June 2021
21 September 2021

Advisory Board
9 February 2021
18 May 2021
5 October 2021

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



Northern Ireland Audit Office