

## MINUTES OF AUDIT COMMITTEE MEETING HELD 13 FEBRUARY 2014

**Members Present:** Mary Halton (Non Executive Member- Chair)  
Gary Martin (Non Executive Member)  
Diane McGiffen (Non Executive Member)  
Daniel McLarnon (Non Executive Member)

**In Attendance** Kieran Donnelly (C&AG)  
Janet Sides (NIAO Principal Finance Officer)  
Andrew Allen (NIAO Finance Manager)  
Bernard Barron (Mazars – Internal Audit)  
Joe Campbell (IT Manager)  
Rodney Allen (Risk Manager Div F – Item 5C)  
Calwell Steele (Secretary)

### 1. Confidential Meetings

Committee members met in-camera before and after the Audit Committee meeting. A confidential meeting was not required with Internal Audit.

### 2. Declaration of Conflicts of Interest

There were no issues declared by the Committee members and attendees which would be in conflict with the agenda for the meeting.

### 3. Minutes of Meeting held 8<sup>th</sup> November 2013 and Matters Arising

The minutes of the meeting held on 8<sup>th</sup> November were approved. Outstanding matters arising from the minutes not yet completed were noted as indicated below:

- The procurement exercise to appoint the external auditor for NIAO is significantly advanced and it is anticipated that the Department of Finance and Personnel will issue the letter of appointment imminently.
- The audit of Data Security will be undertaken in March and the report presented at the next Audit Committee meeting in April.
- The Internal Audit report on the budgetary process will be presented at the April meeting.
- The Terms of reference for the NIAO Audit Committee have been presented to the C&AG for approval.

Other matters arising form part of the meeting agenda.

### 4. Internal Audit

#### ***Implementation of Internal Audit Recommendations***

Members reviewed the outstanding action points and discussed with management the progress made. The report indicated those recommendations which have been addressed and closed. Going forward, the closed points will be removed and those points remaining open will continue to be tracked and progress reported back to the Audit Committee. The

Committee acknowledged the significant progress which has been made in implementing the Internal Audit recommendations to date.

#### ***Accounts Payable Audit Report***

The Committee discussed the findings of the report and noted Internal Audit's assurance on the Accounts payable system. Recommendations in the report have been accepted by management who will review the controls in place to ensure maximum efficiency in the use of resources.

#### ***IT Audit Report***

The Committee discussed the report and was pleased to note the assurance provided in relation to the Office's IT Plan and IT Strategy. The Committee acknowledged the considerable progress made by the Office in implementing planned IT changes during the past year.

### **5. Risk Management**

Mrs Sides briefed the Committee on the corporate risk register which the Committee discussed in detail. Arising from the discussion, actions were agreed as follows;

- Review the completeness of the corporate risk register. In doing so, consideration will be given to:
  - The sufficiency of "horizon scanning" and identification of emerging risks: and;
  - The alignment of risk with strategy, a paper on which will be presented to the next Audit Committee meeting.
- Address risk escalation triggers in future updates and assurance reports to the Committee.

The Committee reviewed risk register updates for each of the operational Divisions. Mrs Sides spoke to her paper on the Division A (Corporate Services) risk register noting the overlap with risks on the corporate risk register. Mr R Allen spoke to his paper on the risk in Division F (financial audit), which was explored in some detail by the Committee. It was noted that Division F plan to carry out an in-depth review of its risk register in February, following which the Executive Team would consider any related impact for corporate risk. An update will be provided to the Committee at its next meeting or sooner if appropriate.

### **6. Business Continuity**

#### **Business Continuity Plan**

- Mr Campbell presented the revised draft Business Continuity Plan. Following discussion of the plan, actions were agreed as follows;
  - The inclusion of a summary page at the front of the plan.
  - The need to make clear the ownership of each aspect of the plan and the respective responsibilities.

- Provide increased clarity on the course of action and review communication plans, including validation of who should be contacted and when.
- A walk through the plan to identify any gaps.
- Include provision for lessons learned following any gaps.
- Discuss offline further minor suggestions.

#### **Crisis Scenario Plan**

- Mr Campbell also presented a draft crisis scenario plan outlining how the Office should react when an incident occurs. It will provide options for the Executive Team and will be used in co-ordination with a Crisis Communication Plan which sets out the key players and when and how they should be contacted. The Committee made a number of suggested amendments which were noted by management and will be presented to the Executive Team at its February meeting. The Committee noted the significant work carried out on the Business Continuity and Crisis Scenario plans.

#### **7. AOB**

Members met without others present to discuss the Internal Audit contract. Progress on Committee actions for improvement and the upcoming annual review of effectiveness were discussed.

The next scheduled Audit Committee meeting will be held on Friday 4<sup>th</sup> April 2014.