

**COMMISSIONER FOR OLDER PEOPLE FOR NORTHERN IRELAND
(COPNI)**

AUDIT AND RISK ASSURANCE COMMITTEE

MINUTES OF A MEETING OF THE AUDIT AND RISK ASSURANCE COMMITTEE
held on Wednesday, 4th September 2024

PRESENT:

MEMBERS: Alan Walker (AW) (Chair)
Lee Wilson (LW)
JP O'Doherty (JP O'D)

IN ATTENDANCE

Lisa McAlorum (LMc)	Department for Communities
Conor Shields (CS)	NIAO
Caitlin Graham (CG)	NIAO
Catriona McHugh (CMcH)	Cavanagh Kelly
Commissioner Eddie Lynch (EL)	COPNI
Evelyn Hoy (EH)	COPNI
Gary Carpendale (GC)	COPNI

<p>Agenda Item 1: Apologies</p> <p>Apologies were noted from Judith Woodburn and David Murray.</p>	<p>Noted</p>
<p>Agenda Item 2: Chair's Business</p> <p>a. <u>Conflicts of Interest</u></p> <p>The Chair raised concerns regarding the level of detail in the papers regarding one of the Tribunal cases. Clarification on the details would be sought at the end of the meeting. There was a difficult conversation to be had regarding COPNI's budget. The Tribunal case would be discussed at the end of the meeting as there was a conflict of interest.</p> <p>b. <u>Compliance Report</u></p> <p>It was noted that there was one FOI request in the last quarter (April-June) paper.</p> <p>c. <u>Register of Gifts and Hospitality</u></p> <p>The Committee noted this paper.</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p>

<p>d. <u>Register of International Conferences and Events</u> There were no items for this period.</p> <p>e. <u>Direct Award Contracts</u> There were no Direct Award Contracts in this period.</p> <p>d. <u>Register of International Conferences and Events</u> There were no items for this period.</p> <p>e. <u>Direct Award Contracts</u> There were no Direct Award Contracts in this period.</p>	<p>Noted</p> <p>Noted</p>
<p>Agenda Item 3: Draft Minutes of Meeting and Action Tracker.</p> <p>a. <u>Draft Minutes of Meeting – 22nd April 2024</u> Those present accepted the accuracy of the minutes and the Chair agreed to sign the minutes.</p> <p>b. <u>Action Tracker</u> AW advised that the ARAC had not yet undertaken the annual self-assessment of ARAC effectiveness. The Chair would organise a meeting with other ARAC members to commence this as soon as possible.</p> <p>AW advised that a letter had been submitted to the Department regarding a temporary extension of EL role as Commissioner in a Caretaker capacity for up to six months until a new Commissioner is appointed. EL was still the Accounting Officer but does not have the power to commence new business.</p> <p>Account direction has been received from the sponsor branch. NIAO requested a copy of this.</p>	<p>Agreed</p> <p>Action</p> <p>Noted</p>
<p>Agenda Item 4: Matters arising not already on the agenda.</p> <p>There were no matters arising which were not on the agenda.</p>	
<p>Agenda Item 5: Commissioner's Update</p> <p>a. <u>Engagements</u></p> <p>The Commissioner advised that he had attended the Covid Inquiry in May. It was important for COPNI to be involved in this</p>	

process and the scrutiny of the government's response to the pandemic. Unfortunately, COPNI have been advised that the organisation has not been awarded core participant's status for the care home module. Nonetheless, it was noted that the statement under Rule 9 for this module is still very resource intensive.

COPNI had lobbied for the retention of the smart pass for 60 to 65 and the government has decided to retain the passes. COPNI is also putting pressure on the government to ensure that the winter fuel allowance be restored. 3 out of 10 households for those over 65 do not get the winter fuel allowance at present. The removal of the winter fuel allowance will impact on people's behaviour in heating their homes in the winter months.

b. Accounting Officer Matters

The Commissioner stated that it was agreed with TEO that he would continue in a caretaker capacity for up to six months until a new Commissioner is appointed. This would be until mid-December at the latest. EL could still work on giving advice to government and follow up on recommendations already made. He could not start any new pieces of work.

There is a draft four-year corporate plan under development that continues to work on live issues and will be added to and assessed by the incoming Commissioner. . It would be up to the new Commissioner to progress this as they see fit. The Commissioner confirmed that COPNI could continue to take on new advocacy cases. However, COPNI could not start any formal investigation or become involved in new issues which it hasn't been previously involved with before.

The process of appointing a new Commissioner is ongoing interviews were due to commence on the 16th of September. The process has been organised by TEO. AW noted that the post was advertised in the middle of the summer, and he hoped with summer holiday's this hasn't impacted the number of applicants applying for the post. It maybe the end of the year or the new year before a new Commissioner is in post. The question was raised by CS if EL could still sign the accounts. EL confirmed that this was the case as he was still the Accounting Officer.

Agenda Item 6: Chief Executive's Update

a) Staffing issues

EH advised that the Head of Policy role had yet to be recruited on a permanent basis. She said that the department has agreed to that competition going ahead as the resulting outcome will be cost-neutral. Both posts involved in the results are permanent approved posts and are filled on a temporary basis.

b) Senior Management Team

EH confirmed there was a SMT meeting once a month which was formally documented. In addition, SMT can meet up to twice weekly to discuss current issues and ad hoc as required by business need.

c) Finance and Expenditure

There are significant pressures on COPNI's budget. COPNI was able to supply DfC with areas where some small savings could be made. AW commented on the fact that as per the latest management accounts COPNI would be overspent by 27% in the 24/25. It was noted that any in year additional budgetary funding which comes from the Treasury will go to the Health and Education sectors, and that budgets everywhere are extremely pressured

AW advised that it was the role of the ARAC to provide assurance that COPNI is a going concern. At present the ARAC could not provide any assurance that this is the case.

EH advised that COPNI has submitted Business cases to the value of £350k to DfC for funding which is required through the October monitoring round. She emphasised that much of that pressure relates to settlements of grievances, Covid costs previously approved and litigation which has not been completed yet. The pressures are not typical and are mostly one-off in nature.

In previous years funding became available through monitoring rounds and additional funding requirements needed during the year could be met by bidding through the monitoring rounds. However, this year COPNI have been told that no additional funding would be available through the October monitoring round. LMcA advised that the October monitoring round had been cancelled. AW advised that it was his understanding that the business case for the Covid costs had been approved by DfC for both the inquiry costs and the Legal Officer for the inquiry at a total cost of £107k.

AW asked EH to lay out the scenario of what would happen if funding were not secured. EH advised that there is almost no

flexibility to COPNI's budget that doesn't involve the reduction of staff. The only option would be to make staff redundant, but that COPNI would not have the funding to run a scheme of redundancy even if it was possible or palatable. LW advised that as there was only one agency member of staff employed part time the cost savings would be marginal. AW asked if there had been a review of case load in the Legal Department. EH advised that there had been a review. EL advised that there was no duplication of COPNI's services with other organisations. COPNI would refer clients to other organisations where it was felt that the services of other organisations were more appropriate. COPNI cannot duplicate the role of other organisations and other organisations cannot duplicate the services provided by COPNI.

One of the scenarios for budget savings if COPNI had to lay off staff was to not take on any more new cases. AW advised that there would be no savings in year if redundancies had to be made.

EH advised that she had advised DfC that the only savings which COPNI could make in year was as follows

Part-time post	£7,992
Car Parking	£2,340
Training Budget	£10,000
Total savings	£20,332

AW asked if there were any savings to be made in discretionary savings. EH advised that there was no discretionary spending at present. The question was raised regarding the office lease no savings could be made in year as COPNI were contractually committed to the lease until July 2026.

EL advised that COPNI's legal cases were all time bound those involving nursing homes and care packages. The legal team are currently working with 50% of a FTE less. He reiterated that the delay in approval of settlements is costing COPNI more every week and putting further pressure on the COPNI budget.

Noted

AW again advised that with COPNI having a 27% deficit in its budget the ARAC could not give any assurances that COPNI was a going concern. EH said she would seek assurances from DFC regarding the payment of salaries to year end.

Noted

L McA stated that meetings will be organised with ALBs to discuss the budget situation.

AW advised that as the Chair of the ARAC he would be writing to both the sponsoring Department and the Minister in his

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capacity as the Head of ARAC outlining that due to the budget position he could not provide assurance that COPNI remained a going concern. He would outline the challenges that COPNI faced and the impact that the budget position had on the livelihoods of 20 staff members. He advised that. There is also the impact of the withdrawal of services to the wider public.

AW stated that as Chair of ARAC he did not know what the best-case scenario was but the worst case one was that COPNI would close within 90 days.

L McA advised EL as Accounting Officer he should write to the principal AO in DfC outlining the challenges which are faced by COPNI.

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d) Quarterly Performance Report

The Paper was noted by the Committee. EH stated that ECNI's IT providers had resigned in March and have set up their own company. The contract for IT services for ECNI is due for renewal. It would involve an increase in costs for the IT services. At present IT Assist are not taking on any new capital costs. In addition, if this was not the case, the cost of moving to IT assist would be very expensive.

Funding position COPNI faces significant financial pressures in 2024/25 with an opening allocation identical to that received in 2023/24. COPNI have always needed an additional £100k to £150k above its baseline budget to deliver its normal services in a given year. This funding has not been forthcoming this year. A new Commissioner coming into post will have to address the baseline funding position.

e) Quarterly Assurance Statement

Paper was noted by the Committee.

Agenda Item 10: Update from Internal Audit

CMcH advised that there were three audit reports which are presented to the ARAC.

- Communications and Policy-Final Report
- 2022-23 Follow-up-Final Report
- Annual Internal Audit Report

The Policy and Communications Report had three recommendations. There were two priority three and one priority

<p>two recommendations as outlined in the report. All of which were accepted by management. All previous year's recommendations in the follow up report have been implemented. In the Annual Report on Page 6 Section 10 the overall assurance rating in relation to its system of governance, risk management and control is Satisfactory. The next two areas for internal audit consideration are HR Management and Financial Planning. It was agreed that it is more prudent to push back the Financial Planning until there was more clarity around COPNI's financial position.</p> <p>AW thanks CMcH for the undertaking the audit and congratulated EH and her team on the result. CMcH left the meeting at 3.15.</p>	
<p>Agenda Item 7 : Business Plan 2024/25</p> <p>EH advised that the business plan is an interim document based on the priorities in the Corporate Plan. The priorities for action may change when a new Commissioner is appointed. EH advised that there was uncertainty around the timing of when a new Commissioner would be appointed and as discussed there was uncertainty around the budget. EH confirmed there were certain priorities in the business plan which COPNI could deliver, and other priorities which COPNI would deliver on if the resources are available. AW noted that a new Commissioner may only come into post in the last quarter of the financial year.</p>	
<p>Agenda Item 8: Risk matters</p> <p>EH presented the Risk Register and went through the main areas of risk.</p> <p>Ref 1 EH stated that COPNI's legal team have been under pressure due to staffing issues. The legal team are trying to manage 250 new and ongoing cases, and all cases move at different paces. If there is not the budget for staffing, then COPNI will have to triage cases even more stringently and may even have to creat waiting lists for services. AW advised that it would be helpful to have guidance and explanatory notes on how these processes are managed.</p> <p>Ref 9. A partnership agreement was yet to be agreed with DfC EH would be in contact with JW & TJ regarding this.</p> <p>Ref 1 AW commented that the residual risk under vacancies and HR Planning was now out of date even in the space of two months. LW advised that if COPNI did not know how it was going to pay its staff in several months then the only alternative was</p>	<p>AP262</p> <p>AP263</p>

closure of the organisation. AW advised that if the budget situation didn't change then the organisation needed to be scaled back in terms of both staff and services. EH countered that unless DFC confirmed that staff costs would categorically not be met, this was an extreme over statement. There are no savings in staffing that could meet the pressures in year, so she will discuss the situation further with DFC and report any assurance that can be given regarding staffing costs.

CS advised that if COPNI was no longer a going concern then the Balance Sheet would have to be restated to present value and a contingent liability calculated.

Ref 4 AW advised that the risk rating of COPNI's fund raising position be increased to 5*5 as extreme risk.

AW stated that COPNI cannot increase wages in line with the requirements of NICS without a corresponding increase in the baseline budget.

The funding gap potentially required COPNI to reduce employees in different Departments by up to a third. This would reduce services drastically and some services may not be able to be provided at all. EH advised that COPNI budget meant that there was very little to cut the question was if the government wanted a Commissioner for Older People to continue in existence. She added that older people are the largest and fastest growing part of the population here. In that context, it would be particularly damaging to be reducing COPNI services at this time.

Ref 6 AW advised that he was content that the IT was medium risk. This would be reviewed considering assurances from ECNI.

Ref 8 AW advised that this was now extreme and the highest risk rating of 5*5. The incoming Commissioner should be made aware of COPNI's financial position ahead of taking up the role. This was a matter for OFMDFM to make them aware of the situation. It would be difficult for a new Commissioner to take up the role and one of the first tasks could potentially be to make staff redundant. EL advised that he would have a conversation with the new appointee regarding the budgetary position. JP O'D advised that any new appointee assume when they are taking up a new appointment for four years that they would have a properly funded office.

Ref 9 AW noted that the ALB Review was green. EH advised that the SMT were discussing this with DfC. EH said that there is a work stream regarding some of the recommendations of the

<p>review and analyses of some aspects will take time to evidence how they would improve service delivery to older people, or provide cost-cutting measures whilst still assuring independence. She said that she and the sponsor branch will continue to work through these matters and that if disagreements arise the risk level may change in response. L McA advised that DfC will work through the recommendations with COPNI. The review was an independent review of COPNI.</p> <p>Ref 11 EH advised that this risk was outdated considering the current budgetary position. This risk was now extreme There would be very reduced capacity to litigate on issues. There would also be a question over media, lobbying and engagement.</p> <p>Ref 12 The risk of a new Commissioner not taking up the role was increased considering the issues raised, but this is a matter for the incoming appointee and Ministers.</p> <p>AW advised that in his letter to the Department he will raise his deep concern that applicants for the post are not aware of the Budget situation in COPNI. It was imperative that the Budgetary information is available to the applicants for the role. There was extreme risk for DfC, TEO, and the political risk was also high.</p> <p>AW advised that he also write to the Commissioner cautioning him that there should be no discretionary spend. As far as possible COPNI should cut its cloth according to its means. AW advised that no assurances could be given that there would not be an overspend.</p>	<p>AP264</p>
<p>Agenda Item 9: Comment from Department for Communities.</p> <p>L McA advised that she had nothing further to add from a Departmental perspective.</p>	
<p>Agenda Item 11: Update from External Audit</p> <p>CS advised that the Annual audit was due to begin on the 26th of September. A request for initial information would be sent out on the 18th of September. He would ask BM for advice on the issues regarding a Going Concern and what effects this may have on the Governance Statement. He would revert to the ARAC with any advice on this.</p>	

Agenda Item 12: Audit Recommendation Tracker It was confirmed that two new Internal Audit recommendations from the Corporate Governance audit have been added to the list.	Noted
Agenda Item 13: Accountability and Financial Management Guidance Update Paper was noted by the Committee.	Noted
Agenda Item 14: Schedule of meetings for coming year. The Committee accepted this proposal. GC to email dates	
Agenda item 15: AOB: There was no AOB.	
Date of Next Meeting It was confirmed that the next ARAC meeting would be held on Monday 21 st October at 1.30pm. EH, CS and GC left the meeting to allow the committee to discuss the issue relating to the discrimination case referenced earlier in the meeting.	Agreed

Signed: _____
Chairperson

Date: _____