

REDACTED VERSION

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 MONDAY 4 SEPTEMBER 2017 AT 1.30PM
IN EQUALITY HOUSE, BELFAST**

PRESENT:

MEMBERS

Gerard Campbell (Chair)
Joseph Campbell
Professor Dolores O'Reilly

IN ATTENDANCE

Eddie Lynch (Commissioner, COPNI)
Evelyn Hoy (Chief Executive, COPNI)
Bebhinn Ni Bhriain (Department for Communities)
Noel Griffin (Department for Communities)
Jonathan Buick (ASM – Internal Audit)
Peter O'Sullivan (Northern Ireland Audit Office)
Helen Gault (Finance and Governance Manager, COPNI)
Eloise Gilmour (Office Manager, COPNI)

<p>Agenda Item 1: Apologies</p> <p>There were no apologies.</p> <p>The Chair welcomed Bebhinn Ni Bhriain who was attending her first ARAC meeting as a representative of the Department for Communities (DfC). All those present introduced themselves.</p>	<p>NOTED</p>
<p>Agenda Item 2: Chair's Business</p> <p>a) <u>Conflicts of Interest</u></p> <p>There were no conflicts of interest.</p> <p>b) <u>Fraud</u></p> <p>No incidents were reported in this period.</p> <p>c) <u>Register of Gifts and Hospitality</u></p> <p>The six items in the register were noted and it was signed by the Chair.</p>	<p>ARAC 09/17/2</p> <p>NOTED</p> <p>NOTED</p> <p>ARAC 09/17/2c NOTED</p>

<p>d) <u>Register of International Conferences & Events</u></p> <p>There were no items for this period.</p> <p>e) <u>Direct Award Contracts</u></p> <p>This portion of the minutes has been redacted until the investigation into Dunmurry Manor Nursing Home concludes.</p> <p>It was agreed the Members would be notified of the decision on the direct award contracts and the business case.</p> <p>f) <u>Whistleblowing</u></p> <p>No incidents were reported in this period.</p>	<p>NOTED</p> <p>ARAC 09/17/2e NOTED</p> <p>ACT 147</p> <p>NOTED</p>
<p>Agenda Item 3: Draft Minutes of Meetings & Action Tracker</p> <p>a) <u>Draft Minutes of 19 June 2017</u></p> <p>N Griffin requested a minor amendment to the wording of one item, and this was made. Those present accepted the accuracy of the minutes, and the Chair signed the minutes.</p> <p>b) <u>Action Tracker for 19 June 2017</u></p> <p>The eight actions were noted as complete.</p> <p>c) <u>Draft Minutes of 3rd July 2017</u></p> <p>D O'Reilly indicated it had been useful to have a closed session meeting, for Members to receive a detailed briefing from the Investigation Steering Group.</p> <p>Those present accepted the accuracy of the minutes, and the Chair signed the minutes.</p> <p>d) <u>ACT 143 - ECNI 2016-17 Assurance Letter</u></p> <p>The Chair indicated it was useful for the Committee to have this letter, and it was noted.</p> <p>e) <u>ACT 143 - ECNI Internal Audit Annual Report</u></p> <p>The Chair highlighted that COPNI has service level agreements for Payroll and ICT, and a Memorandum of Terms of Occupation with the Equality Commission. Therefore it was reassuring to see the Equality Commission had obtained satisfactory assurances. The report was noted.</p>	<p>ARAC 09/17/3</p> <p>ARAC 09/17/3a NOTED</p> <p>ARAC 09/17/3b NOTED</p> <p>ARAC 09/17/3c NOTED</p> <p>ARAC 09/17/3d NOTED</p> <p>ARAC 09/17/3e NOTED</p>

<p>f) <u>ACT 143 - ECNI Review of Information Security 2015-16</u></p> <p>The report was noted.</p>	<p>ARAC 09/17/3f NOTED</p>
<p>Agenda Item 4: Matters Arising not already on the Agenda</p> <p>There were no matters arising.</p>	
<p>Agenda Item 5: Commissioner's Update</p> <p>a) <u>Engagement</u></p> <p>The Commissioner gave a brief overview of his recent engagements. He had spoken at a Scamwise event, and attended a Dementia NI session in July. COPNI is exploring with the PSNI the concern about older people keeping cash in their homes, and a focus group was held the previous week. COPNI has been asked to collaborate in a campaign raising awareness of the risks and issues for older people keeping cash at home. The Commissioner had a positive meeting with the Chief Executive of the Northern HSC Trust regarding a pilot scheme to test support visits to all over 75s, which was a recommendation arising from <i>Prepared to Care? Modernising Adult Social Care in NI</i>, published in 2015. A pilot may be carried out by the Northern Trust and Queen's University Department of Social Work.</p> <p>b) <u>Accountability Meeting</u></p> <p>The meeting held on 4 August discussed whether COPNI's baseline budget should be included as a risk in the Corporate Risk Register. A paper detailing a breakdown of the risk was discussed under agenda item 8(c).</p> <p>In July it came to COPNI's attention that the direct award contract limit of £7,000 for one Expert Panel member had been breached by £2,500, and this was an error on COPNI's part. Expenditure on the other two Expert Panel members was below threshold. The work of the Expert Panel was immediately halted, and COPNI notified the DfC, NIAO and ASM of the spend in excess of approval. It has been agreed that additional cost control measures will be implemented to ensure this risk is mitigated in all contracts going forward.</p> <p>N Griffin advised COPNI does not need to seek approval from the DfC for the spend over approval and David Malcolm will provide a letter confirming this. The expenditure was below the total amount approved in the group of direct award contracts applying to the expert panel, and the overall expenditure is below the total amount approved in the addendum to the business case. Therefore the extended cost of the direct award contract was within the Commissioner's delegated authority. The DfC are content the matter is resolved.</p>	<p>ARAC 09/17/5 NOTED NOTED</p>

<p>The Chair highlighted that failures of cost control are a matter of concern and that he is satisfied by the steps taken by COPNI to identify, report and correct the matter. J Campbell indicated he was content with the new cost control measures.</p> <p>The Commissioner referred to the DfC sponsorship team, and that B Ni Bhriain now attends Committee meetings with N Griffin. B Ni Bhriain confirmed that David Malcolm remains in post as Director, after which Bernie Rooney will take over.</p> <p>c) <u>Budget 2017/18</u></p> <p>The Commissioner referred to the baseline budget of £817,000 and that the DfC had approved £25,000 to date for the investigation. COPNI has submitted a new business case for an additional £75,000 to fund the investigation until it is complete. COPNI will also make an in year bid for approximately £30,000 to cover the increase in rent, the Cash at Home project, and Corporate Plan stakeholder engagement.</p> <p>d) <u>Chair's Annual Assessment</u></p> <p>This was completed in August for the 2016/17 year. Annual assessments for the Chair and Members will be carried out in the summer of 2018.</p>	<p>NOTED</p> <p>NOTED</p>
<p>Agenda Item 6: Chief Executive's Update – Emerging Issues</p> <p>a) <u>Staffing Issues</u></p> <p>The recruitment competitions for the Communications and Engagement Manager and the Legal Officer posts have closed. Shortlisting and interviews would be held in the coming weeks.</p> <p>A candidate from a previous competition has challenged the outcome of the recruitment competition in which he was an unsuccessful candidate. This was covered confidentially within agenda item 8(b).</p> <p>b) <u>Senior Management Team</u></p> <p>The Team meets monthly and also meets regularly as the Investigation Steering Group.</p> <p>c) <u>Finance and Expenditure 2017/18</u></p> <p>In the Management Accounts for the period to 31 July 2017, actual expenditure was £25,000 more than budget, however the DfC has approved this bid but has not yet allocated this funding. The projection to 31 March 2018 includes the bid for an additional £75,000 for the investigation and a rent increase pressure. The projection to 31 March</p>	<p>ARAC 09/17/6</p> <p>NOTED</p> <p>NOTED</p> <p>ARAC 09/17/6c NOTED</p>

2018 is £922,982.09. This excludes the £30,000 in-year bid which has not been submitted yet.

The Chair highlighted the importance of breaking even, and COPNI may need to explore further efficiencies.

J Campbell highlighted there was good budget control, and asked in future for separate information on the investigation expenditure. H Gault stated this was done monthly and would be included at the next meeting.

ACT 148

d) Rent Increase

**ARAC 09/17/6d
NOTED**

The Equality Commission were notified by its landlord of a 34% rent increase. However, it has emerged that because of VAT the increase will be 54%. This increase is effective from August 2016. It is therefore expected this increase will apply to all the arms' length bodies which have MOTOs with the Equality Commission. The increase will be £11,000 for COPNI, and this additional pressure has been notified to the DfC. The increase relating to 2016/17 has been accrued.

COPNI is awaiting a further letter from the Equality Commission confirming the quantum of the rent increase, and the Committee will be informed.

e) Quarterly Performance Report April – June 2017

**ARAC 09/17/6e
NOTED**

The Business Plan is subject to major review due to the current stage of the investigation. Some projects will either be removed or moved into another year of the Corporate Plan. The revised Business Plan will be brought to the next meeting, and submitted to the DfC.

The Chair highlighted the need for clarity between COPNI and the DfC as to what can be realistically achieved in the Business Plan, due to the investigation happening this year. E Hoy indicated COPNI does not have the headcount or resources to carry out the investigation as well as continue with normal operations.

N Griffin indicated the DfC accepts that the investigation is causing pressures, and the sooner the DfC could see the revised Business Plan and draft Corporate Plan the better, as this would clarify any ambiguity.

The Commissioner confirmed that the Business Plan had been discussed at each Accountability Meeting and that the DfC is aware that the investigation is being prioritised over all other matters in the business plan.

D O'Reilly said that COPNI should seek written confirmation from the DfC that it understands COPNI is unable to deliver everything in the

Business Plan. B Ni Bhriain indicated it would be sufficient to record the rationale of decisions on an ongoing basis.

The Chair highlighted the investigation was the priority in 2017/18 and it was important for the situation to be understood by all.

J Campbell suggested in the revised Business Plan to underline the positive work of the investigation.

E Hoy indicated the revised Business Plan would be sent to the DfC by the end of September, and the DfC would advise the approval process in the absence of a Minister. N Griffin asked for the draft Corporate Plan to be submitted at the same time.

ACT 149

The report was noted.

f) Quarterly Assurance Statement April – June 2017

**ARAC 09/17/6f
NOTED**

The report was noted.

g) Business Plan 2017/18 – Progress on Objectives

**ARAC 09/17/6g
NOTED**

The report was noted. In response to a query from the Chair regarding the level of legal casework, E Hoy confirmed there had not been a significant increase in this despite the investigation. Fortunately COPNI has not had to decline any requests for assistance.

h) Complaints

NOTED

No new complaints were received in this period.

Agenda Item 7: Draft Annual Report and Financial Statements 2016/17

**ARAC 09/17/7
NOTED**

E Hoy indicated she would advise the Committee of any significant changes to the document prior to the next meeting on 31 October.

E Hoy referred to the Performance Report. She outlined the advice given to government during that year, focussing on financial abuse of older people and reiterating the call for Adult Safeguarding Legislation. COPNI had had another strong year, assisting many older people through legal casework/advocacy and commencing the investigation into Dunmurry Manor Nursing Home.

J Campbell and D O'Reilly indicated it was a good report, and suggested that the last paragraph on page 7 should be reworded to show how COPNI delivers value for money. They also suggested that the second point on page 10 should be more nuanced.

<p>The Chair asked Members to carefully review the Governance Statement.</p> <p>In response to a query from J Campbell regarding 'The Sponsoring Body' on page 34, E Hoy confirmed COPNI's Management Statement and Financial Memorandum is under review. Agreed changes to the MSFM have been with the DfC/Department of Finance for approval since March 2017.</p> <p>There was a discussion on the wording of 'Internal Governances Divergences' on page 40 and that the text does not reflect the fact there were no governance issues arising during the period there was no Commissioner in post. Rather it explains that there was a change to the Accounting Officer designation due the vacancy of the Commissioner role for a short period. It was noted that similar text was included in the previous year's annual report as the period straddled two financial years. E Hoy agreed to consider this point.</p> <p>It was agreed Members would forward any other suggestions for amendments to H Gault by 7 September. The Annual Report and Financial Statements will be sent to the NIAO on 7 September.</p> <p>P O'Sullivan advised the NIAO will be on site in COPNI from 11 September.</p> <p>H Gault referred to the Financial Statements and indicated there was a small underspend in the year due to the timing of the start of the investigation. The comprehensive net expenditure for the year was £870,006.</p> <p>J Campbell congratulated H Gault on the accounts. She confirmed COPNI did not draw down the full grant in aid.</p> <p>The Chair highlighted the Committee will meet on 31 October to review the accounts, then they will go to the Comptroller and Auditor General. H Gault agreed to circulate the Annual Report and Financial Statements that are submitted to NIAO to the Committee.</p> <p>The Chair reflected on the good relationship between COPNI and the auditors, and thanked H Gault and the staff team for all their work on the report.</p>	<p>ACT 150</p>
<p>Agenda Item 8: Risk Matters</p> <p>a) <u>Corporate Risk Strategy</u></p> <p>It was noted the strategy had been updated following its annual review. Members discussed risk identification, risk appetite and the control environment. COPNI is risk averse regarding governance.</p>	<p>ARAC 09/17/8</p> <p>ARAC 09/17/8a NOTED</p>

J Campbell suggested considering changing from a 5 x 5 risk matrix format to a 4 x 4 or 3 x 3 format, which may be more suitable for an organisation of COPNI's size. The Chair indicated this may be considered in the next 12 months. The NIAO's 'Good Practice in Risk Management' guidance is to be reviewed when the strategy is next redrafted.

b) Corporate Risk Register Quarter 2 2017/18

E Hoy explained the first risk regarding the baseline budget would be discussed under the next agenda item. She detailed the background to each risk and these were discussed. Several risks were related to Human Resources, and the risk ratings could increase at any point. The annual pay remit has not been approved due to no Minister being in post. E Hoy explained that the pay remit business case proposes an average 2.3% pay rise. This is due to the revalorisation of scales changing the minimum scale point. As all COPNI staff are on the minimum of their grade scale, the business case proposes moving staff to the new minimum scale point for their grade.

c) Risk 1 – Options

E Hoy explained this paper had been prepared following the Accountability Meeting as the DfC felt Risk 1 'Long Term Financial Baseline' was not worded to fully reflect the risk. The paper contained a breakdown of the risk into five areas, and the Committee's opinion on the paper was requested. The Commissioner felt strongly that inadequate funding was a major risk, and was preventing COPNI from carrying out a range of important activities. The support from the DfC to fund the investigation was noted.

There was a discussion on whether Risk 1 should be classed as a risk or a live issue affecting COPNI. The Chair indicated the risk had now crystallised, and asked if COPNI could make further efficiencies. E Hoy indicated that no further efficiencies can be made without reducing the staff headcount and/or affecting the delivery of frontline services.

Members indicated this had been a very useful discussion. N Griffin said the document was useful regarding the impact of not having enough money. It was agreed that the risk 1 options would replace risk 1 in the Corporate Risk Register.

d) Dunmurry Manor Investigation Risk Register

E Hoy tabled this document which was discussed and changes to key risks were noted. Due to the sensitive nature of the content, Members and Attendees handed it back at the end of this item.

**ARAC 09/17/8b
NOTED**

**ARAC 09/17/8c
NOTED**

ACT 151

**ARAC 09/17/8d
NOTED**

<p>Agenda Item 9: Update from Department for Communities</p> <p>N Griffin indicated all relevant items had already been covered in the meeting. The Chair noted the value of the representation and contribution of the DfC at Committee meetings.</p>	<p>NOTED</p>
<p>Agenda Item 10: Update from Northern Ireland Audit Office</p> <p>There were no other matters arising.</p>	<p>NOTED</p>
<p>Agenda Item 11: Update from Internal Audit</p> <p>J Buick tabled an Audit Dashboard. Four internal audits were being carried out in 2017/18. The report on Financial Controls would be considered in the next agenda item. The work for the Human Resources and Follow Up audits was completed in August and would be reported to a future Committee meeting. The IT audit will be done in late September and will include GDPR.</p> <p>a) <u>High Level Review of Financial Controls</u></p> <p>This was a wide-ranging audit which had an overall satisfactory rating. Two priority 3 recommendations were made in relation to travel and subsistence claims, and these had been accepted by management. Members noted the recommendations and that it had been a thorough audit.</p> <p>D O'Reilly congratulated E Hoy and H Gault on a good report.</p>	<p>ARAC 09/17/11 NOTED</p> <p>ARAC 09/17/11a NOTED</p>
<p>Agenda Item 12: Audit Recommendations – Progress to date</p> <p>The two items in the report were noted.</p>	<p>ARAC 09/17/12 NOTED</p>
<p>Agenda Item 13: Accountability and Financial Management Guidance Update</p> <p>The two items in the report were noted.</p>	<p>ARAC 09/17/13 NOTED</p>
<p>Agenda Item 14: COPNI Updated Policies</p> <p>The seven policies listed in the report were noted.</p>	<p>ARAC 09/17/14 NOTED</p>
<p>Agenda Item 15: Any Other Business</p> <p>E Hoy tabled a copy of a letter dated 22 May 2017 from the Treasury Officer of Accounts, Department of Finance, regarding the laying of annual report and accounts in the Northern Ireland Assembly, for information.</p>	<p>ARAC 09/17/15 NOTED</p>

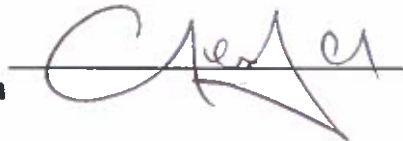
Agenda Item 16: Date of next meeting

NOTED

The next meeting will be held on Tuesday 31 October at 9.30am in the Ante Room. The Chair highlighted the first part of the meeting will not include the Commissioner, Chief Executive or COPNI staff and should last about 20 mins. The remainder of the meeting will focus on the Committee recommending the draft Financial Statements to the Commissioner for signing prior to progressing to the Comptroller and Auditor General. Members will also have an opportunity to review the draft RTTCWG prior to the management responses being finalised. The Human Resources and Follow Up audit reports from the Internal Auditor will also be considered at the meeting.

The meeting closed at 4.25pm.

Signed:
Chairperson



Date:

4/12/17