

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 9 MARCH 2015 AT 9.30AM IN EQUALITY HOUSE, BELFAST

PRESENT:

MEMBERS

Gerard Campbell (Chair)
Julie Erskine
Breidge Gadd
Don Mackay

IN ATTENDANCE

Claire Keatinge (Commissioner, COPNI)
Evelyn Hoy (Chief Executive, COPNI)
Gerard McKeown (Finance and Governance Manager, COPNI)
to item 16
Christine Burns (Northern Ireland Audit Office) to item 16
Brian Clerkin (ASM – Internal Audit) items 3 to 14
Nicola Drennan (OFMDFM) to item 16
Eloise Gilmour (Office Manager, COPNI) to item 16
Anna McAlister (Communications and Engagement Manager,
COPNI) item 15

Agenda Item 1: Apologies There were no apologies.	NOTED
Agenda Item 2: Chair's Business The Chair indicated that item 11 "Revised ARAC Secretariat Procedures" would be discussed by Members during a closed session at the end of the meeting.	
a) <u>Conflict of Interests</u> No conflicts of interests were reported in this period.	NOTED
b) <u>Fraud</u> No incidents of fraud were reported in this period.	NOTED
c) <u>Registers of Gifts and Hospitality</u> <u>Register of Gifts and Hospitality received by COPNI</u> The two new entries on the register were noted. It was then signed by the Chair. A copy will be put on the COPNI website.	ARAC 03/15/1 NOTED

<p><u>Register of Gifts and Hospitality given by COPNI</u> There had been an Internal Audit recommendation to hold a register of gifts and hospitality given by COPNI. There was one item on the register, however it was noted that it may not be deemed hospitality. It was agreed that C Burns would look into this matter and report back to the next meeting.</p> <p>d) <u>Register of Interests</u> G McKeown indicated J Erskine and D Mackay had updated their forms following the previous meeting.</p> <p>e) <u>Direct Award Contracts</u> The report of Direct Award Contracts during this period was noted and Members were content with it. E Hoy explained the contract awarded to Age NI was for a peer to peer method of consultation on Adult Social Care, and advice had been sought from the Central Procurement Directorate. CPD advice indicated that a DAC was appropriate in this case.</p>	<p>ACTION NIAO (ACT 77)</p> <p>NOTED</p> <p>ARAC 03/15/2 NOTED</p>
<p>Agenda Item 3: Draft Minutes of the Meeting of 8 December 2014</p> <p>B Clerkin joined the meeting.</p> <p>The minutes of the last ARAC meeting were reviewed for accuracy. N Drennan requested the following amendment:</p> <p>Page 2, Item 4(a), Paragraph 4, COPNI Business Plan 2014/15: “Ms Hoy indicated this was redrafted and submitted to <u>Ministers</u> ...”.</p> <p>Following this amendment, the minutes would be signed by the Chair and a copy put on the COPNI website.</p>	<p>ARAC 03/15/3</p> <p>ACTION COPNI (ACT 78)</p>
<p>Agenda Item 4: Matters Arising not already on the Agenda</p> <p>a) <u>Actions arising from ARAC Meeting 8 December 2014</u> Of the 9 actions, 7 were complete by the date of the meeting.</p>	<p>NOTED</p>
<p>Agenda Item 5: Commissioner's Update – Emerging Issues</p> <p>The Commissioner gave an update on the current issues affecting her office.</p> <p>a) <u>Engagement</u></p> <p><u>Age, Goods, Facilities and Services</u> Junior Ministers had announced in December 2014 that they would not proceed with legislation to protect people from discrimination when accessing goods, facilities and services on the grounds of age during this Assembly mandate.</p>	<p>ARAC 03/15/4</p> <p>NOTED</p>

In February it was announced that legislation to protect over 16's from age discrimination would be delivered before the Assembly election in 2016. COPNI was involved in the discussions that drove this forward and continued to persuade Ministers of the need to fulfil the Programme for Government commitment to protect older people from discrimination. It is expected that a Bill will be introduced to the Assembly this term.

Change to Sponsorship of COPNI

There was an announcement on 2 March that, through the reduction and renaming of NI Civil Service Departments in time for the 2016 Assembly election, OFMDFM will be transformed into The Executive Office. The Department of Health, to be created after the 2016 Assembly elections, will take on OFMDFM's policy responsibilities for older people and the Active Ageing Strategy. It is also proposed that sponsorship of COPNI will move to the new Department of Health.

The Commissioner indicated moving sponsorship responsibility for COPNI from OFMDFM to the Department of Health would not be beneficial to her role, and would bring a reputational and operational risk. COPNI had not been consulted about the move. The Commissioner is of the view that the decision reflects an inherent ageism that pervades government thinking regarding ageing and that the signal this will send to the public will relate to ageing as a primarily health issue, which is a message the Commissioner has been at pains to counteract.

J Erskine indicated the change may affect her ability to be a member of ARAC, as she already sits on the NI Social Care Council and Public Health Agency, and members were limited to a maximum of two health committees. B Gadd indicated the decision assumed older people were purely a health issue. E Hoy concurred and indicated the decision seemed ageist. COPNI is also concerned that the Health Department doesn't have the cross-cutting powers that exist in OFMDFM, and that a risk arises that the Commissioner's powers may be actually or perceived to be fettered by this sponsorship relationship. D Mackay agreed that it was not a satisfactory arrangement for COPNI.

It was agreed a letter would be sent to the Ministers by the Commissioner and that the Commissioner and Chief Executive will meet the First Minister and deputy First Minister to discuss the matter further.

ACTION
COPNI (ACT 79)

b) Recruitment and Induction

E Hoy reported the annual performance reviews for staff were being carried out.

NOTED

c) Update on COPNI Business Plan 2014/15

E Hoy indicated the Commissioner's office was able to deliver all its projects, however the scope and depth of some had been amended due to the budget cut.

NOTED

d) 2014/15 Finance and Expenditure

E Hoy indicated that of the £845k budget for 2014/15 there would be an underspend within 0.5%. Capital depreciation had been regularised with the Department through the last Consumption Report. COPNI had a simple business model and good controls were in place. The Management Accounts were noted and Members commented on how tight the financial situation was. The Commissioner commended the work done by E Hoy and G McKeown.

ARAC 03/15/4a

NOTED

e) 2015/16 Business Plan

E Hoy reported this had been submitted to Ministers, having been adjusted on the basis of the budget, without amendment from officials, and she anticipated an acknowledgement by 31 March. The Commissioner would do preliminary research and investigation, and this may cause there to be training needs for staff.

ARAC 03/15/4b

NOTED

A Member commented that the Business Plan did not show what activity had been taken out, and COPNI should clearly demonstrate what it cannot do due to the budget cut. E Hoy responded that all Arms Length Bodies were in a similar position with their resources. The Chair asked whether the Commissioner could include what had been left out, either in her letter to the Ministers or as an addendum to the Business Plan on the COPNI website. A Member concurred as this would be a record of the current situation in the event of the Commissioner's role being called into question. E Hoy confirmed that the covering letter to the Business Plan included a list of activities, duties and powers which would be unfunded in the 2015/16 budget. The Committee expressed ongoing dissatisfaction with the level of funding available and supported any ongoing efforts by the Commissioner and Chief Executive to address the situation with the Department.

E Hoy also said that June Monitoring would be opened soon and that COPNI will be seeking additional funding through that mechanism if such funding is available.

f) 2015/16 Budget

E Hoy indicated that while COPNI carefully considered all the work it did to assist older people as per its legislation, there would be scope to do more if resources allowed. COPNI's discretionary expenditure could be approximately broken down as two thirds Policy and Legal and one third Communications and Engagement.

ARAC 03/15/4c

NOTED

<p>C Burns indicated she expected to see a budget profile to show a pattern of cash flow by month, by which COPNI could determine its cash requirement. G McKeown explained the budget profile was prepared on an accruals basis to manage COPNI's budget allocation. He agreed to prepare an annual cash flow forecast reconciled to budget profile.</p>	<p>ACTION COPNI (ACT 80)</p>
<p>g) <u>Quarterly Performance Report</u> E Hoy referred to the Quarter 3 Report which detailed the position by exception at the end of December 2014. The report was noted.</p> <p>The Commissioner said she had indicated to the Department that if she was not able to exercise her statutory duties she may hand them back.</p>	<p>ARAC 03/15/4d NOTED</p>
<p>h) <u>Accountability Meeting</u> E Hoy reported the last Accountability meeting was held on 11 February. The Commissioner will bid for additional funding for 2015/16 to exercise more statutory duties through the 2015/16 Monitoring Rounds. The Chair asked whether a business case could be put to the Department. The Commissioner responded that this work is underway but that the baseline case for future years would take some time to develop and that the next Corporate Plan will directly impact the requirement for additional funding.</p> <p>N Drennan highlighted the Commissioner would also have to bid in the monitoring round which occurred three times per year.</p>	<p>NOTED</p>
<p>i) <u>Senior Management Team</u> E Hoy reported the Senior Management Team (the Commissioner, Chief Executive and Head of Legal and Policy Advice) meet fortnightly. G McKeown attends to present the accounts. Minutes are taken for operational purposes and are available to Members on request.</p> <p>J Erskine indicated that as the minutes were operational and potentially confidential, they should not be shared outside the Senior Management Team.</p>	<p>NOTED</p>
<p>j) <u>Complaints</u> There were no complaints during this period.</p>	<p>NOTED</p>
<p>Agenda Item 6: Update from OFMDFM</p> <p>a) <u>Ageing Strategy Advisory Group</u> N Drennan reported the Group had met on 25 February, and a workshop in March had been arranged to consider indicators for the Active Ageing Strategy.</p>	<p>NOTED</p>

<p>The Commissioner indicated the Group felt it had been going on for too long and that both the Group and the Department were frustrated with progress. It was anticipated that the Strategy would be published in the next six months.</p> <p>b) <u>Voluntary Exit Scheme for non-NI Civil Service staff 2015/16</u> The closing date for this was 27 March; there would be no applications from COPNI staff.</p>	
<p>Agenda Item 7: Presentation by NIAO</p> <p>a) <u>Report to Those Charged with Governance</u> C Burns indicated the accounts were certified in December 2014 and laid before the Assembly. The draft Report to Those Charged with Governance was brought to the previous ARAC meeting.</p> <p>C Burns referred to the final Report which contained the management responses, and management had accepted all recommendations. The Chair noted there were two priority 1 recommendations, two priority 2 recommendations, and four priority 3 recommendations. The Committee would monitor the implementation of these.</p> <p>C Burns indicated the Audit Strategy would be presented at the next meeting of the Committee.</p> <p>Members approved the report.</p>	<p>ARAC 03/15/5a NOTED</p> <p>ACTION NIAO (ACT 81)</p>
<p>Agenda Item 8: Update from Internal Audit 2014/15</p> <p>a) <u>High Level Review of Financial Systems</u> B Clerkin referred to the report and indicated this had an overall satisfactory assurance rating. There were two priority 2 recommendations regarding (A9) the approval of monthly management accounts, and (A12) approval of adjustments to the budget and updating of the Financial Manual. These had been accepted by management.</p> <p>E Hoy indicated that COPNI were not content with the priority 2 observations as they were due to exceptional staffing issues during the business year, however the recommendations had been accepted.</p> <p>In response to a query from a Member, C Burns confirmed that management had now brought monthly drawdowns under tighter controls.</p> <p>Regarding recommendation B5 that COPNI should record any gifts and hospitality it offers, E Hoy referred B Clerkin to the discussion under agenda item 2(c) before he had joined the meeting.</p>	<p>ARAC 03/15/6a NOTED</p>

He indicated he would look into this recommendation and clarification will be given at the next meeting.

ACTION
ASM (ACT 82)

The report was noted.

b) Review of Programme Management Arrangements

B Clerkin referred to the report and indicated this had an overall satisfactory assurance rating. There were three priority 2 recommendations regarding (B3) updating the framework, (C4) an appropriate change management process, and (D3) the parameters of a request constituting a project. These had been accepted by management.

ARAC 03/15/6b
NOTED

The current project management framework was fit for purpose for an organisation of COPNI's size, however some improvements were required including the recording of project decisions.

In response to a query from a Member on whether PRINCE project management would be needed, B Clerkin indicated it would not be necessary given the amount and scale of COPNI's projects. E Hoy said that elements of a PRINCE methodology are used but in a proportionate and appropriate way to the type of projects and their scale.

c) Annual Assurance Statement 2014/15

B Clerkin referred to the report and indicated COPNI's systems in relation to risk management, control and governance during the period provided satisfactory assurance in relation to the effective and efficient achievement of COPNI's objectives. Findings were as follows:

ARAC 03/15/6c
NOTED

System	Date of final report	Assurance rating	Number of recommendations
High level review of financial systems	11 February 2015	Satisfactory	12
ICT Strategy and Security (to include BCP)	25 November 2014	Satisfactory	8
Project Management Arrangements	25 February 2015	Satisfactory	9
Service Level Agreements	25 November 2014	Satisfactory	1

The Chair asked for an extra column to be included in the above table to show the priority levels of recommendations in the final report to be circulated in April, and this was noted.

ACTION
ASM (ACT 83)

The Commissioner commended the COPNI employees, particularly given the absence of the Chief Executive during part of the year, in the achievement of satisfactory assurance in all internal audits. The Chair endorsed this, and thanked ASM for their excellent work.

<p>d) <u>Progress Report</u> The Audit Dashboard was noted.</p> <p>e) <u>Procurement of Internal Audit Services</u> E Hoy indicated the contract with ASM would expire at the end of March, and a panel would meet to consider any tenders later that day.</p>	<p>ARAC 03/15/6d</p> <p>NOTED</p>
<p>Agenda Item 9: Risk Matters</p>	
<p>a) <u>Updated Corporate Risk Register 2014/15 Q4</u> E Hoy referred to the Register and indicated the Key Business Risk Summary had been reformatted for easier reference.</p> <p>The nine key business risks were discussed:</p> <ul style="list-style-type: none"> (i) Diminished Policy and Research Team with new staff will be unable to deliver depth of work envisaged in the Corporate Plan. (ii) COPNI's financial resources are insufficient for COPNI to deliver its Corporate Plan objectives. (iii) Reputational risk and reduction in capacity to publicise, monitor and gauge impact of Commissioner's priorities. (iv) Strategic uncertainties due to the Comprehensive Spending Review and Departmental reorganisations. (v) Failure to plan to ensure that statutory duties are fulfilled. (vi) Failure to finance statutory duties. (vii) Failure to adequately plan for the transition to a new term of office and potentially a new Commissioner. (viii) Pressures on the Legal Team resulting in projects being delayed, postponed or unfunded. (ix) Uncertain Business Plan for 2015/16 year due to unknown opening budget position. <p>A Member asked why risks (i), (v) and (ix) were still on the Register now that they had reduced to low residual risks. E Hoy explained this was done to demonstrate movement from medium to low, and the next quarter's register would not include these as low risks. A Member suggested that risk (v) should remain high rather than low. E Hoy explained it was necessary to keep risks (v) and (vi) separate as the inherent risks had not changed.</p> <p>There was a discussion on the format of the Register. E Hoy indicated it should not be simplified further as it needed to give an accurate picture and reflect mitigating measures. A Member indicated COPNI and other Arms Length Bodies should be red risks on OFMDFM's risk register, and the Department seemed reluctant to acknowledge the risks. N Drennan noted this.</p> <p>The Commissioner indicated COPNI could not afford to obtain a legal opinion on the risk of not fulfilling its statutory duties.</p>	<p>ARAC 03/15/7</p> <p>NOTED</p>

<p>The Commissioner had not yet made a decision on whether to do a second term beyond November 2015. It was agreed the target date under risk (vii) for the transition plan should be pushed back. N Drennan advised that the Commissioner should notify her decision to the Department by 31 March, and the transition process would take several months.</p> <p>The Risk Register was noted.</p>	<p>ACTION COPNI (ACT 84)</p> <p>ACTION COPNI (ACT 85)</p>
<p>Agenda Item 10: Revised Business Continuity Plan</p> <p>E Hoy indicated there had been an incident in the Botanic area in January which had affected employees' access to the local area one morning. This had led to an informal test of the Business Continuity Plan.</p> <p>A full scenario test will be carried out before the next ARAC meeting and a report will be given to the meeting.</p> <p>It was agreed E Hoy's mobile number would be given to ARAC Members and attendees, to use in the event of a meeting being disrupted by a significant incident.</p> <p>The revised Business Continuity Plan would be signed by E Hoy and the Commissioner following the meeting.</p>	<p>ARAC 03/15/8 NOTED</p> <p>ACTION COPNI (ACT 86)</p> <p>ACTION COPNI (ACT 87)</p> <p>ACTION COPNI (ACT 88)</p>
<p>Agenda Item 11: Revised ARAC Secretariat Procedures</p> <p>This item would be discussed in a closed session at the end of the meeting.</p>	<p>ARAC 03/15/9</p>
<p>Agenda Item 12: Update on DAO and DFD Guidance</p> <p>The report was noted.</p>	<p>ARAC 03/15/10 NOTED</p>
<p>Agenda Item 13: Summary of Key Issues from Public Accounts Committee Reports</p> <p>There were no issues applicable to COPNI during the period.</p>	<p>ARAC 03/15/11 NOTED</p>
<p>Agenda Item 14: Audit Recommendations</p> <p>G McKeown referred to the outstanding recommendations within the report, and the actions being taken.</p> <p>The ARAC noted that an observation made by Internal Audit following their review of Corporate Governance and Risk Management during February 2014 recommended that COPNI ensures a formal timetable be established and agreed with the</p>	<p>ARAC 03/15/12 NOTED</p>

<p>Department approval of future Corporate and Business plans. The recommendation remains outstanding. COPNI has raised the issue with OFMDFM officials and can take now take no further action.</p> <p>The report was noted.</p> <p>B Clerkin left the meeting.</p>	
<p>Agenda Item 15: Any Other Business</p> <p>A McAlister joined the meeting.</p> <p>a) <u>Presentation on Media Coverage Evaluation</u></p> <p>A McAlister gave a presentation on the Annual Review of COPNI's media profile. She explained the Communications Strategy, which had been developed to structure the work of the Communications and Engagement department. COPNI sent a bi-annual communication to MLAs, and was meeting with political parties on older people's issues. The Commissioner was meeting with older people's groups, and visiting care homes under special measures.</p> <p>A McAlister explained the media landscape regarding TV, radio and print, and referred to the media stories in 2014 which were relevant to COPNI. COPNI had increased the number and weight of its articles in the press. 44% of COPNI's coverage was reactive and 56% was proactive. COPNI took a strategic view on reacting to media stories, and had developed good relationships with media outlets.</p> <p>Members thanked A McAlister for her excellent presentation.</p> <p>In response to a query from a Member, the Commissioner confirmed that the Communications Strategy included engagement with the age sector as well as the media, and the team would seek feedback following her engagements.</p> <p>In response to a query from the Chair regarding points of contact within COPNI, A McAlister indicated she was developing a spokesperson matrix.</p> <p>In response to a suggestion from a Member that the Commissioner met those NI residents who reach their 100th birthday, A McAlister explained that for various reasons this was not feasible.</p> <p>In response to a query from a Member on what information on Communications was included in the Annual Report, A McAlister indicated there was a summary, which would also go into the legacy report.</p> <p>A McAlister left the meeting.</p>	<p>NOTED</p>

<p>Agenda Item 16: Dates of Next Meetings</p> <p>a) <u>Monday 22 June 2015 at 9.30am</u> b) <u>Monday 21 September 2015 at 9.30am</u> c) <u>Monday 7 December 2015 at 9.30am</u></p> <p>N Drennan gave her apology for the June meeting.</p>	<p>NOTED</p>
<p>Agenda Item 11: Revised ARAC Secretariat Procedures</p> <p>C Burns, N Drennan, G McKeown and E Gilmour left the meeting.</p> <p>This item was discussed in a closed session.</p> <p>The meeting ended at 12.30pm.</p>	<p>ARAC 03/15/9</p>

Signed:


Chairperson

Date:

15/6/15