

**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 8 DECEMBER 2014 AT 9.30AM IN EQUALITY HOUSE, BELFAST**

**PRESENT:**

**MEMBERS**

Gerard Campbell (Chair) to item 13  
Julie Erskine  
Breidge Gadd  
Don Mackay (in the Chair for items 14 and 15)

**IN ATTENDANCE**

Claire Keatinge (Commissioner, COPNI)  
Evelyn Hoy (Chief Executive, COPNI)  
Gerard McKeown (Finance and Governance Manager, COPNI)  
Christine Burns (Northern Ireland Audit Office)  
Shauna McDonnell (ASM – Internal Audit) to item 13  
Nicola Drennan (OFMDFM)  
Eloise Gilmour (Office Manager, COPNI)

<p>The Committee held an initial closed session for ten minutes with only NIAO and ASM present.</p> <p>At the start of the meeting, all those present introduced themselves, and the Committee welcomed Ms McDonnell, who has recently joined ASM as an Internal Audit Manager and will be engaged with COPNI's Internal Audit programme, to her first meeting of the Committee.</p>	
<p><b>Agenda Item 1: Apologies</b></p> <p>There were no apologies.</p>	<p><b>NOTED</b></p>
<p><b>Agenda Item 2: Chair's Business</b></p> <p>a) <b><u>Conflict of Interests</u></b> No conflicts of interests were reported in this period.</p> <p>b) <b><u>Fraud</u></b> No incidents of fraud were reported in this period.</p> <p>c) <b><u>Register of Gifts and Hospitality</u></b> This was tabled and the three new entries were noted. It was then signed by the Chair. A copy will be put on the COPNI website.</p> <p>d) <b><u>Register of Interests</u></b> Ms Erskine indicated she has been appointed Acting Chair of the Public Health Agency from 1 December 2014 to 31 March 2015.</p>	<p><b>NOTED</b></p> <p><b>NOTED</b></p> <p><b>ARAC 12/14/1 NOTED</b></p> <p><b>NOTED</b></p>

<p>Mr McKay indicated he has been appointed a Council Member of the Community Relations Council as of 1 December 2014.</p>	
<p><b>e) <u>Direct Award Contracts</u></b></p> <p>Mr McKeown reported there were no direct award contracts over £5,000 which required advice from the Central Procurement Directorate during the period.</p> <p>It was noted that the 2013/14 NIAO audit found that Direct Award Contracts below £5,000 were not approved by the Accounting Officer in advance of approval of purchase. COPNI management will ensure compliance with the Management Statement Financial Memorandum on this matter.</p>	<p><b>NOTED</b></p> <p><b>ACTION COPNI (ACT 70)</b></p>
<p><b>Agenda Item 3: Draft Minutes of the Meeting of 22 September 2014</b></p> <p>The minutes of the last ARAC meeting were reviewed for accuracy, then signed by the Chair. The Chair commended Mrs Gilmour on the minutes.</p>	<p><b>ARAC 12/14/2 NOTED</b></p>
<p><b>Agenda Item 4: Matters Arising not already on the Agenda</b></p> <p><b>a) <u>Actions arising from ARAC Meeting 22 September 2014</u></b> Of the 16 actions, 13 were complete by the date of the meeting.</p> <p><u>2015/16 budget allocation.</u> COPNI met with Mark Browne (Accounting Officer, OFMDFM) in November regarding the allocation. COPNI has requested a meeting with the Junior Ministers, at which COPNI's value for money will be reinforced.</p> <p><u>Identification of alternative sources of income.</u> This was discussed at the previous Accountability Meeting. Ms Hoy indicated COPNI were asking for a differential treatment in the cuts.</p> <p><u>COPNI Business Plan 2014/15.</u> Ms Hoy indicated this was redrafted and submitted to OFMDFM, however it was unnecessary to request approval from the Ministers as there were no substantial changes.</p>	<p><b>NOTED</b></p> <p><b>ACTION COPNI (ACT 64)</b></p>
<p><b>Agenda Item 5: Commissioner's Update – Emerging Issues</b></p> <p>The Commissioner gave an update on the current issues affecting her office.</p>	<p><b>ARAC 12/14/3</b></p>

a) **Engagement**

NOTED

**Appreciating Age: Valuing the positive contributions made by older people in Northern Ireland**

There had been good press coverage despite the cut in COPNI's communications expenditure. The report was well received by NI Assembly Members.

**Protecting our older people in Northern Ireland: A call for adult safeguarding legislation**

The Commissioner outlined her recommendations for clear and comprehensive adult safeguarding legislation.

**Age, Goods, Facilities and Services**

Junior Ministers said on 4 December 2014 that it will not proceed with legislation to protect people from discrimination when accessing goods, facilities and services on the grounds of age during this Assembly mandate. The Commissioner released a joint press release with the Chief Commissioner of the Equality Commission and the Commissioner for Children and Young People to express their disappointment.

**Active Ageing Strategy 2014-2020**

The strategy has not yet been published. A meeting of the Ageing Strategy Advisory Group with the Junior Ministers was postponed during the previous week.

**Domiciliary Care**

The Commissioner met with United Kingdom Homecare Association (UKHCA) which is the professional association of home care providers from the independent, voluntary, not-for-profit and statutory sectors.

There are significant pressures on Health and Social Care Trusts' care budgets. This issue may be in the Commissioner's next programme.

**Gerontology and Geriatrics Conference in Bangalore, India**

The Commissioner attended this conference in November, and gave a presentation on the positive contributions of older people.

**Changing the culture of care provision in Northern Ireland**

The Commissioner met the Minister for Health, Social Services and Public Safety to discuss care home standards, and made recommendations on the quality of care, regulation and inspection.

b) **Recruitment and Induction**

The two permanent Policy and Research Officers are now in post; originally three posts had been approved however this was reduced to two posts due to budget cuts. The Administration Officer post vacated in October will not be filled. No further budget reductions can be achieved by reducing the number of temporary staff. There are 14 full time equivalent employees in post, including the Commissioner. COPNI has departmental approval for 16 employees, including the Commissioner, but all of these posts have never been filled with permanent employees.

NOTED

c) **2014/15 Finance and Expenditure**

Budget cuts have had a significant impact on COPNI and have especially affected engagement with older people, which is a statutory duty of COPNI.

ARAC 12/14/3a

NOTED

Mr McKeown referred to the Management Accounts Summary for the period to 31 October 2014. The actual spend was £506,185 which was a small overspend of £3,710 against profile budget year to date. As two staff posts have been cut, the expenditure for 2014/15 will be within budget.

The projected resource expenditure for the year ended 31 March 2015 is £845,000. There are some project variances in main cost centres, however these are fairly small sums. As the organisation is relatively young, financial trends have not been fully established.

Ms Hoy tabled the letter received today from Mark Browne, which outlined the voluntary redundancy scheme in the NI Civil Service and Arms Length Bodies (ALBs). COPNI was to respond to the letter by 10 December 2014.

It is likely a 15.1% cut will be applied to ALBs, and such a cut would be untenable for COPNI in its current form.

The budget of £845k includes the in-year cut of 4.4%, and it is understood that a cut of around 10% will be applied to this amount during 2015/16. The Chair indicated this would have a devastating effect on COPNI and he has highlighted this to Mark Browne.

The Commissioner expressed her concern that budget cuts means she would not be funded to use her legal powers e.g. investigating practices in nursing homes.

Members expressed their concerns about the effect of budget cuts on COPNI, and asked that at the meeting with the Junior Ministers the need for COPNI's opening allocated budget will be highlighted.

<p>A Member suggested the Commissioner should clearly set out what is and is not possible within this budget, and highlighted the risk to COPNI's reputation. Ms Hoy indicated this may be done in April 2015.</p> <p>d) <b><u>Quarterly Performance Report</u></b> The Chair indicated the issues in the report had already been covered during the meeting. The report was noted.</p> <p>e) <b><u>Accountability Meeting</u></b> Ms Hoy attended this meeting in November, and the focus was budget discussions. There are no outstanding Accountability issues with OFMDFM.</p> <p>f) <b><u>Senior Management Team Meeting</u></b> Ms Hoy indicated the Risk Register had been redrafted by SMT the previous week, and was circulated to this Committee meeting.</p> <p>A Member referred to the current BBC NI and Age NI Christmas campaign "Playing Your Part".</p> <p>g) <b><u>Update on COPNI Business Plan 2014/15</u></b> An update had been given under agenda item 4(a).</p>	<p>ARAC 12/14/3b NOTED</p> <p>NOTED</p> <p>NOTED</p>
<p><b>Agenda Item 6: Update from OFMDFM</b></p> <p>The Commissioner referred to the postponement of the Ageing Strategy Advisory Group the previous week. She highlighted the amount of work done by COPNI staff in preparation for the meeting, and the frustration felt by members of the group with the communication from OFMDFM. Ms Drennan agreed to bring a response from OFMDFM to the Commissioner to the Committee's meeting in March 2015.</p> <p>Ms Drennan indicated she remained in close contact with Ms Hoy regarding budget news.</p>	<p>NOTED</p> <p><b>ACTION</b> <b>OFMDFM</b> (ACT 71)</p>
<p><b>Agenda Item 7: Presentation by NIAO</b></p> <p>a) <b><u>Annual Report and Accounts 2013/14</u></b> Members were content with the content and layout of the report. Ms Drennan requested minor wording corrections.</p> <p>Mr McKeown referred to the Financial Statements and highlighted this was the first full financial year for COPNI. Total expenditure for the 2013/14 year was £904,008. COPNI has Crown indemnity as a public sector organisation as of September 2013.</p>	<p>ARAC 12/14/4a <b>ACTION</b> <b>COPNI</b> (ACT 72)</p>

NIAO was content that disclosure was now included in the remuneration report regarding a secondment.

**b) Draft Report to Those Charged with Governance**

Ms Burns indicated the NIAO audit is complete and it will recommend that the Auditor General provides an unqualified opinion. A clean audit opinion was given. The audit fee was to be £11,205, however the final fee will be agreed with the Accounting Officer. NIAO had recently received COPNI's management response to the report, and wished to discuss this with management before finalising the report.

Ms Burns referred to the key audit findings.

The Chair indicated the Committee would focus on the findings of the report rather than the responses which had not yet been discussed between management and NIAO.

**Issue 1: The quality of the Draft Account and Trial Balance**

Ms Burns indicated NIAO had not accepted the first two drafts of COPNI's accounts, and going forward the quality of the accounts will be improved. This was a priority 1 issue with a target implementation date effective 31 March 2015.

Ms Hoy explained why this had occurred and that COPNI had noted it as a learning point.

**Issue 2: Payroll reconciliation**

Ms Burns indicated COPNI had not reconciled the payroll system report provided by the Equality Commission and the general ledger during the year-end payroll reconciliation. This was a priority 1 issue with a target implementation date of 31 March 2015.

Mr McKeown explained a monthly reconciliation was now done by COPNI.

**Issue 3: Large bank balance**

Ms Burns indicated COPNI had a large year-end bank balance of £104k, and it seemed more cash was drawn down than was required. This was a priority 2 issue and the recommendation has been implemented.

Mr McKeown explained that the drawdown had been done to allow COPNI to meet the following month's payments and, as it was the final month of the business year, to meet accruals at year end.

**ARAC 12/14/4b  
NOTED**

Issue 4: Procurement

Ms Burns indicated there were some instances of quotes not being kept for procurement processes. Also procurement guidelines for Direct Award Contracts documented in the Financial Memorandum were not adhered to. This was a priority 2 issue with a target implementation date of 31 March 2015.

Priority 3 Recommendations

There were four priority 3 recommendations: Un-identified prepayments; Audit trial; Purchase Orders; Non-current assets – plant and equipment.

Identified Misstatements

Mr McKeown confirmed he was content with the list of unadjusted misstatements or uncertainties arising from the audit in the report.

Ms Burns indicated the accounts will be signed by the Commissioner, delivered to NIAO, taken to the Auditor General, then laid before OFMDFM before Christmas.

The Chair thanked Ms Burns and NIAO colleagues, Ms Drennan and COPNI staff for their work.

**Agenda Item 8: Update from Internal Audit 2014/15**

**a) Service Level Agreements**

This had an overall satisfactory assurance rating. There was one priority 2 recommendation regarding the timing of service level agreements being signed, and this has been implemented.

**ARAC 12/14/5a  
NOTED**

**b) ICT Strategy and Security (to include Business Continuity Plan)**

This had an overall satisfactory assurance rating.

**ARAC 12/14/5b  
NOTED**

Strategy and Assurance

There were two priority 2 recommendations regarding the development of an ICT strategy, and obtaining audit assurances from the ICT provider.

Business Continuity

There were two priority 2 recommendations regarding a formal scenario test of the BCP and a contingency box. There was one priority three recommendation regarding the signing of the BCP.

Policies and Procedures

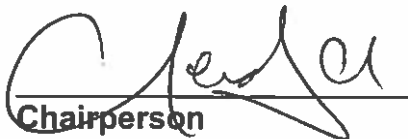
There was one priority 2 recommendation regarding the intranet and email policy. There were two priority 3 recommendations regarding the version control of policies and password changes.

<p>Ms Hoy indicated a full test of the BCP will be carried out in early 2015.</p> <p>c) <b><u>Follow Up Review</u></b>  This report referred to the follow up reviews of the HR Management, Legal Casework and Corporate Governance and Risk Management internal audits. Of the total 15 recommendations made, 12 were fully implemented, two were partially implemented and one could not be tested as of the date of the report.</p> <p>Ms Drennan indicated OFMDFM's timeline to approve COPNI's Business Plan will be shortened. Ms McDonnell indicated she will include in the report that the relevant recommendation is partially implemented because the timeline is beyond COPNI's control.</p> <p>d) <b><u>Procurement of Internal Audit Services</u></b>  This item would be covered later in the meeting.</p>	<p><b>ARAC 12/14/5c</b></p> <p><b>ACTION ASM (ACT 73)</b></p>
<p><b>Agenda Item 9: Risk Matters</b></p> <p>a) <b><u>Updated Corporate Risk Register 2014/15 Q3</u></b>  Ms Hoy referred to the Risk Register and highlighted that most of the risks relate to budgetary constraints and pressures.</p> <p>The nine key business risks were discussed:</p> <ul style="list-style-type: none"> <li>(i) Diminished Policy and Research Team</li> <li>(ii) Pressures on the Administration Team</li> <li>(iii) Insufficient financial resources</li> <li>(iv) Reputational risk and reduction in capacity to publicise, monitor and gauge impact of Commissioner's priorities</li> <li>(v) Longer term budgetary constraints and pressures</li> <li>(vi) Failure to fulfil statutory duties</li> <li>(vii) Failure to plan for new term of office</li> <li>(viii) The Commissioner is unable to carry out all legal functions</li> <li>(ix) Uncertain Business Plan for 2015/16 year due to unknown opening budget position</li> </ul> <p>Ms Hoy agreed to reword the title of risk (iii) to demonstrate the risk of insufficient financial resources to meet COPNI's strategy which was agreed with OFMDFM.</p> <p>Regarding risk (vii), Ms Drennan indicated the Commissioner is required to give her decision to seek another term by the Quarter 4 2014/15 Accountability Meeting.</p>	<p><b>ARAC 12/14/6 NOTED</b></p> <p><b>ACTION COPNI (ACT 74)</b></p> <p><b>ACTION COPNI (ACT 75)</b></p>



<p><b>Agenda Item 10: Revised COPNI Policies</b></p> <p>a) <b><u>Staff Handbook</u></b> Ms Hoy indicated this was currently being finalised.</p>	<p><b>NOTED</b></p>
<p><b>Agenda Item 11: Update on DAO and DFD Guidance</b></p> <p>In response to a query from a Member, Ms McDonnell indicated complaints handling will be included in the internal audit programme. The report was noted.</p>	<p><b>ARAC 012/14/7</b></p> <p><b>ACTION ASM (ACT 76)</b></p>
<p><b>Agenda Item 12: Summary of Key Issues from Public Accounts Committee Reports</b></p> <p>There were no issues during the period applicable to COPNI.</p>	<p><b>ARAC 012/14/8</b></p> <p><b>NOTED</b></p>
<p><b>Agenda Item 13: Audit Recommendations</b></p> <p>The report was noted.</p> <p><i>Ms McDonnell left the meeting.</i></p>	<p><b>ARAC 12/14/9</b></p> <p><b>NOTED</b></p>
<p><b>Agenda Item 8 (d): Procurement of Internal Audit Services</b></p> <p>Ms Hoy indicated the contract with ASM is due to end, and COPNI will tender for a four year internal audit services contract in early 2015. There was a discussion on how many days should be in the contract, and it was agreed 15-18 days (including 2 days for attendance at the Committee) should suffice.</p> <p><i>Mr Campbell nominated Mr Mackay to take the Chair for the remainder of the meeting, and left the meeting.</i></p>	
<p><b>Agenda Item 14: Any Other Business</b></p> <p>a) <b><u>Verbal Report of Casework Themes</u></b> Ms Hoy indicated there had been 34 complex legal cases, one of which involved mediation from COPNI. There were 104 quick interventions this year, examples of which were: safeguarding, complaints, advice, housing, pensions, family disputes and benefits entitlements. COPNI generally stays in contact with the caller until their issue is resolved.</p>	<p><b>NOTED</b></p>
<p><b>Agenda Item 15: Dates of Next Meetings</b></p> <p>a) <b><u>Monday 9 March 2015 at 9.30am</u></b> b) <b><u>Monday 22 June 2015 at 9.30am</u></b></p> <p>The meeting closed at 12.15pm.</p>	

Signed:

  
Chairperson

Date:

9/3/15