

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 22 SEPTEMBER 2014 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 (Head of Finance and Governance, COPNI)
Christine Burns (NIAO)
Brian Clerkin (ASM – Internal Audit) to item 5
Nicola Drennan (OFMDFM)
Eloise Gilmour (Office Manager, COPNI)

<p>Agenda Item 1: Apologies</p> <p>There were no apologies.</p> <p>The Chair welcomed Ms Hoy back following her sickness absence. Ms Hoy thanked everyone for their support. Ms Boyle and Mr McKeown were thanked for their good work during the Chief Executive's absence.</p>	<p>NOTED</p>
<p>Agenda Item 2: Chair's Business</p> <p>a) <u>Conflict of Interests</u> No conflicts of interests were reported in this period.</p> <p>b) <u>Fraud</u> No incidents of fraud were reported in this period.</p> <p>c) <u>Register of Gifts and Hospitality</u> This was tabled and the two new entries were noted. It was then signed by the Chair. A copy will be put on the COPNI website.</p> <p>d) <u>Register of Interests</u> No interests were declared. The recently completed registers would be recirculated to individual Members for updating.</p>	<p>NOTED</p> <p>NOTED</p> <p>NOTED</p> <p>ACTION COPNI (ACT 54)</p>

<p>e) <u>Direct Award Contracts</u> There were no direct award contracts in this period.</p>	<p>NOTED</p>
<p>f) <u>Update on Annual Performance Assessments</u> The Chair reported these were completed in August. There was a sound Audit and Risk Assurance Committee in place which provided a level of robust challenge and support to COPNI. The Commissioner carried out the assessment of the Chair.</p>	<p>NOTED</p>
<p><u>COPNI Self-Assessment Checklist</u> This had been circulated in the papers, and was noted by Members as being good practice.</p>	<p>ARAC 09/14/1</p>
<p>Ms Burns indicated the NIAO team needed to be completely objective and independent, and asked for point 22 on the checklist to be revised to "Yes" rather than "N/A". This was agreed.</p>	<p>ACTION COPNI (ACT 55)</p>
<p>g) <u>Update from Arms Length Body Meeting</u> The Chair reported he had attended this meeting on 27 August. Ms Erskine had also attended the meeting as the Chair of the Audit and Risk Committee for the NI Commissioner for Children and Young People. The main issue had been the in-year 4.4% reduction of the budget, and the potential of even greater cuts for financial year 2015/16. The consensus had been that there needed to be a uniform approach to cuts. There had been a discussion on how ALBs linked with Internal and External Audit. The Audit and Risk Assurance Handbook should be looked at again by ALBs. ALBs seemed to have differing approaches to travel expenses for Directors being taxable. Ms Drennan indicated she would follow up on the status of travel expenses for Board Members.</p>	<p>ACTION OFMDFM (ACT 56)</p>
<p>Other matters from the meeting included: Risk appetite guidance would be issued to ALBs; there had been a request for Audit Chair specific training and business case preparation training.</p>	
<p>h) <u>Update on Internal Audit Assessment</u> The Chair had met with Michael Matthews (DFP), and tabled DFP's review of ASM for Members. Mr McKeown will request permission from OFMDFM to circulate the report to ASM.</p>	<p>ACTION COPNI (ACT 57)</p>
<p>Agenda Item 3: Draft Minutes of the meeting of 30 June 2014</p>	<p>ARAC 09/14/2</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>NOTED</p>

<p>Agenda Item 4: Matters Arising not Already on Agenda</p> <p>a) <u>Actions arising from ARAC Meeting 30 June 2014</u> All actions had been completed.</p> <p>b) <u>Review of Commissioner's term</u> Ms Drennan indicated the review of COPNI by the Department was due to be carried out in the third year of the current term, and would be delayed until around June 2015. OFMDFM would advise the Commissioner of the timeline for her decision to stay or resign at the end of the first term, the implications of the review, and how the ARAC may be involved.</p>	<p>NOTED</p> <p>ACTION OFMDFM (ACT 58)</p>
<p>Agenda Item 5: Update from Internal Audit 2014/15</p> <p>a) <u>Proposed Internal Audit Charter</u> Mr Clerkin referred to the standard Charter which set out roles and responsibilities, and how ASM would interact with COPNI and the ARAC. He highlighted points 20 and 21 which set out ASM's role in relation to fraud-related activities. Ms Hoy indicated the Charter accurately reflected ASM's role.</p> <p>b) <u>Final 2014/15 Internal Audit Plan and Schedule</u> Mr Clerkin referred to the Plan which had been updated for the ARAC to consider. The approach to the audit of the Programme Management Arrangements is still to be agreed, and this would be discussed with Ms Hoy. ASM was still working to the agreed 25 day schedule.</p> <p>Mr McKeown reported the internal audit fieldwork for Service Level Agreements and ICT Strategy and Security was complete.</p> <p>The Chair asked Mr Clerkin how "an adequate number of COPNI's risks" was defined. Mr Clerkin responded that in the current year effectively four of the six risks would be covered. In the event of a new significant risk arising, ASM would consult with COPNI to reschedule a planned audit to conduct a new audit. Therefore "adequate" could be replaced with "appropriate".</p> <p>The Chair indicated certain risks would have a greater impact than others e.g. budget cuts, therefore the ARAC required assurance that areas were being adequately covered. Mr Clerkin indicated quarterly reports were presented to the ARAC, and there was regular liaison between ASM and COPNI.</p> <p><i>Mr Clerkin left the meeting at 10.00am.</i></p>	<p>ARAC 09/14/6a</p> <p>ARAC 09/14/6b</p>

Agenda Item 6: Commissioner's Business Update – Emerging Issues

ARAC 09/14/3

The Commissioner gave an update on the current issues affecting her office.

a) **Travel**

The Commissioner had visited several care homes during the period and planned to visit homes which had special measures in place. She had attended the following meetings in London: Lord Filkin, Centre for Ageing Better; RCN Retired Members; Dame Julie Mellor, Parliamentary and Health Service Ombudsman; International Longevity Centre. She gave a presentation to the National Pensioners' Conference in Blackpool, and launched Dementia Friendly Foyle in Derry. She met with the British Geriatric Society and Action on Hearing Loss.

The Commissioner had been invited to chair sessions at a Gerontology and Geriatrics Conference in Bangalore, India in November.

Reports

Meetings had been held regarding "Working Longer in Northern Ireland: Valuing an Ageing Workforce". "Supporting Older Carers: Examining the reasons for low level of uptake of Carers Assessments by Older Carers in Northern Ireland" had been welcomed by most parties. There had been strong support for "Protecting our older people in Northern Ireland: A call for adult safeguarding legislation". The Commissioner thanked staff and external experts for their contributions.

Independent Report on Cherry Tree House Nursing Home

The Commissioner has issued a statement to the media on the report highlighting her concerns at the management of the home and treatment of residents and whistleblowers. She has also made recommendations to the Minister for Health.

The Chair indicated that, due to budget cuts, COPNI had concerns regarding its ability for investigations and recommendations. Ms Hoy confirmed that the Commissioner has never received adequate funding to exercise the unique powers of investigation, and that up to now that was not a difficulty as the organisation was in research and development status. However it was now possible to foresee the need for the use of Schedule II powers and the present budget cuts put huge pressure on existing budgets, not allowing for any additional expenditure on investigations.

NOTED

b) Recruitment and Induction

Ms Hoy reported on the current recruitment process for Policy Officers. The DFP had originally approved recruitment of three Officers at Staff Officer grade for this function, however due to the budget cut, the Commissioner had decided to recruit two permanent Officers. Ms Hoy outlined the recruitment process and indicated it was anticipated the two Officers would be in post by the end of December.

The rest of the permanent staff team was in place. There were no matters arising regarding Induction.

The Chair thanked the staff who had delivered the recruitment process.

c) Budget Update & Strategy

Ms Hoy referred to the Financial Planning Discussion document. The previous ARAC meeting had discussed the opening budget allocation for 2014/15 being £43k less than anticipated, and agreed a revised business plan for the allocation of £883k. In August there was a further 4.4% cut in the June Monitoring Round. This equated to an 11% real terms cut on the 2013/14 opening budget.

Policy Officers

It was therefore necessary to find a further 4.4% savings for this year. Two Policy Officers, rather than three, would be recruited. This would significantly reduce the capacity to carry out required research and would therefore impact on the legacy of the Commissioner's first term. This measure will bring a saving of £18k in year. The remainder of the cuts would come from the programme budget. This has the impact of affecting the quality and depth of some work, but all areas of work can still be delivered.

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

This was the largest project this year. The primary research and draft of the report was complete. It had been planned to launch the report with significant media impact. The budget had been halved by £5k, therefore the report would have reduced impact.

The Committee expressed their disappointment and frustration, and concern at the possible impact on staff morale.

Ms Hoy indicated she would consider the value of an away day to review practical and creative ways to manage budget constraints.

NOTED

ARAC 09/14/3a

**ACTION
COPNI (ACT 59)**

Adult Social Care Legislative Review

It had been planned to directly engage with older people regarding their rights to social care, in order to add value to the technical report and test its findings with users of social care.

Voluntary organisations now charge a fee for this type of engagement. It was necessary to find a way to effectively engage with older people at less cost.

The Committee expressed their disappointment and concern that direct engagement with older people should be compromised by budget cuts. Ms Hoy said that the Head of Legal and Policy Advice is working closely with the Communications and Engagement Team to see what could be done at minimal cost.

Public Affairs Monitoring Service

COPNI had previously contracted with Nick Garbutt PR and received a weekly report on Public Affairs and political monitoring, however this was now being done in-house to achieve a saving. There was therefore an impact on the quality of report and staff time.

Internal Review of COPNI Legislation

£10k had originally been budgeted to engage a senior barrister. It is possible the review may be carried out in-house by the Legal Team. Ms Drennan indicated she would take advice on this, and the budget paper would be submitted and discussed at the following day's Accountability Meeting.

The Committee indicated this was a complex piece of work, necessary fulfil a statutory duty. It should therefore be done by a senior barrister. Ms Hoy indicated she would ask the OFMDFM how to most effectively and efficiently deliver this Section 21 requirement, and identify if it would be possible to move £10k from capital to support this project. Ms Hoy agreed that the proposal to conduct the review of the COPNI legislation in-house would be cleared by OFMDFM first, so that there could be no risk of appearance that the review was not thorough or independent.

Impact of Budget Cut

The rest of the items in the Business Plan were bid for in the June Monitoring Round. The OFMDFM had indicated to COPNI that the 2015/16 opening budget allocation would be 10% or as high as 15% less than 2014/15. The 2014/15 budget paper would be submitted to the OFMDFM via the Accountability Meeting.

ACTION
COPNI (ACT 60)
ACTION
COPNI (ACT 61)

ACTION
COPNI (ACT 62)

Ms Hoy explained the impacts that the cuts were already having and some further impacts that could arise. While COPNI has the legislative power to take legal action on behalf of older people or to fund legal action taken by older people, it did not have the funding for new cases of mediation or legal action. COPNI had one current mediation case.

Members indicated this was a frustrating situation. There was a concern that domiciliary care needed increased regulation, and COPNI could not deliver key elements of its duties. Ms Hoy confirmed that resources could be moved between budgets with the exception of capital. The Commissioner indicated the governance requirements on COPNI were heavy and unbalanced in light of the resources available.

Ms Drennan indicated public bodies were preparing for at least a 10% cut in 2015/16.

The Chair, Commissioner and Chief Executive would seek meetings with the OFMDFM Accountability Officer and with the Junior Ministers regarding the 2015/16 budget allocation.

ACTION
COPNI (ACT 63 & 64)

Ms Hoy indicated she would consider identifying sources of alternative income but that these must not compromise the independence of the Commissioner.

ACTION
COPNI (ACT 65)

d) 2014/15 Finance and Expenditure

ARAC 09/14/3b

Mr McKeown referred to the Management Account Projections for 31/07/14 – 31/03/2015 which gave a breakdown of overheads. It demonstrated the limited capacity to further reduce overheads. The Finance SLA had been replaced with a Payroll SLA, and this had brought a £17k saving. COPNI was on track to meet the budget at year end.

NOTED

e) Quarterly Performance Report

ARAC 09/14/3c

Ms Hoy referred to the report and indicated there had been no major risks in Quarter 1. Ms Boyle had been paid to act up to Chief Executive, and Ms Hoy had received sick pay. There were no other significant issues. The report was endorsed by the Committee.

NOTED

f) Accountability Meeting

Ms Hoy indicated that apart from budget pressures there was nothing significant to report. The main focus at the following day's meeting would be the budget and she would ensure the meeting was briefed regarding the ARAC's concerns.


ACTION
COPNI (ACT 66)

<p>g) <u>Senior Management Team Meeting</u> Ms Hoy indicated the next monthly meeting would be held the following day. At this point in the year, all projects are forecasted to be completed, however the quality or depth of some of the research, or engagement on the outputs of the research, would not be as high quality as planned due to budget cuts.</p> <p>The Committee indicated it was necessary to make significant revisions to the Business Plan and Corporate Plan, and it may be advisable to publicly announce that projects were being affected.</p> <p>Ms Hoy said that she would wish to delay any public announcements until after a meeting with the Departmental Accounting Officer.</p> <p>h) <u>Approved COPNI Business Plan 2014/15</u> Ms Hoy referred to the Business Plan and indicated it had been revised at the time of the first budget cut this year. The Plan would therefore be revised again following this meeting and the Accountability Meeting.</p>	<p>ARAC 09/14/3d</p> <p>ACTION COPNI (ACT 67)</p>
<p>Agenda Item 7: Update from OFMDFM</p> <p>Ms Drennan indicated there was nothing additional to report under this item. The Accountability Meeting would be held the following day.</p>	
<p>Agenda Item 8: Draft Annual Report and Financial Statements for the year ending 31/03/14 (including Draft Governance Statement)</p> <p>Ms Keatinge referred to the report which had a new format this year. The contents were: Commissioner's Foreword; Strategic Report; Directors' Report; Remuneration Report; Statement of Accounting Officer's Responsibilities; Governance Statement; Certificate and Report of Comptroller and Auditor General to NI Assembly; Financial Statements – Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity, Notes to the Accounts.</p> <p>The Committee indicated it was necessary to demonstrate at the start of the report that COPNI is a relatively new office which has never had a full complement of staff. Minor amendments would also be made. The Chair asked Members to feedback any comments on the Governance Statement to Ms Hoy.</p>	<p>ARAC 09/14/4</p>

<p>Agenda Item 9: Update from NIAO</p> <p>a) <u>NIAO Audit Strategy 2013/14</u> Ms Burns referred to the Strategy and indicated the NIAO audited the material accuracy of the accounts, the remuneration report and the Annual Report and Financial Statements. COPNI had asked the NIAO to look at Procurement as a significant risk.</p> <p>Ms Burns indicated the NIAO Audit was being done and should be complete prior to the next Committee meeting in December. The NIAO expected to form a positive view on the accounts.</p> <p>The Chair thanked Ms Burns and her team for their work, and the Committee agreed to proceed with this approach. Ms Keatinge thanked Mr McKeown for leading the preparation work for the Internal and External Audits.</p>	<p>ARAC 09/14/5</p> <p>NOTED</p>
<p>Agenda Item 10: Risk Matters</p> <p>a) <u>Updated Corporate Risk Register</u> Ms Keatinge referred to the Risk Register for Quarter 2 and indicated the two most significant risks were the diminishing budget to carry out legal duties, to use legal powers and the failure to deliver projects at the necessary level; both risks arising from the budget constraints in year and the forecast of greater cuts next year and onwards. The seven key business risks were discussed.</p> <p>Ms Hoy indicated the risk register would be reviewed before submission to the OFMDFM. Ms Drennan indicated the Risk Register acknowledged COPNI's current position.</p>	<p>ARAC 09/14/7</p> <p>NOTED</p>
<p>Agenda Item 11: Revised COPNI Finance & Governance Policies</p> <p>a) <u>Finance Manual</u></p> <p>b) <u>Procurement Procedures</u></p> <p>c) <u>Governance Procedures</u></p> <p>d) <u>IT Procedures</u></p> <p>e) <u>Website Policy</u> All the policies and procedures were noted.</p> <p>Ms Erskine indicated she would submit some suggested amendments for the documents to Mr McKeown after the meeting.</p>	<p>ARAC 09/14/8a</p> <p>ARAC 09/14/8b</p> <p>ARAC 09/14/8c</p> <p>ARAC 09/14/8d</p> <p>ARAC 09/14/8e NOTED</p>

Mr McKeown indicated he would identify if a nominal fee could be charged for Freedom of Information requests.	ACTION COPNI (ACT 68)
Agenda Item 12: Update on DAO and DFD Guidance The report was noted.	ARAC 09/14/9 NOTED
Agenda Item 13: Summary of key issues from Public Accounts Committee Reports a) <u>Report on Account NI: Review of a Public Sector Financial Shared Service Centre</u> The report was noted.	ARAC 09/14/10 NOTED
Agenda Item 14: Audit Recommendations The report was noted.	ARAC 09/14/11 NOTED
Agenda Item 15: Any Other Business a) <u>Revised Minutes of ARAC Meeting of 10 March 2014</u> The amendment on page 3 regarding Quarterly Performance Report was noted, and the minutes were signed by the Chair. b) <u>Verbal Report of Casework Themes</u> At the previous meeting a Member had asked for a verbal report on general legal themes in COPNI. Ms Hoy indicated casework themes were detailed on page 12 of the Annual Report. It was noted that the Internal Audit follow up report on Legal would be brought to the next meeting, and a verbal report on themes would be given then.	ARAC 09/14/12 NOTED ACTION COPNI (ACT 69)
Agenda Item 16: Dates of Next Meetings a) <u>Monday 8 December 2014 at 9.30am</u> b) <u>Monday 9 March 2015 at 9.30am</u> The Chair thanked everyone for attending and contributing to the meeting, and asked Ms Keatinge to pass on the Committee's acknowledgement to the staff team for their efforts. The meeting closed at 12.30pm.	

Signed:


Chairperson

Date:

8/12/14