



Minutes of the VSS Audit and Risk Committee
Monday 11 April 2016, 2pm
VSS, Seatem House, Belfast

ARC Members Present:

Colm Doran (CD) ARC Chair
Bertha McDougall (BMcD) Board Member
Richard Solomon (RS) Board Member
Seamus Magee (SM) Board Member

VSS Officers in Attendance:

Margaret Bateson (MB) Interim CEO and Accounting Officer
Caroline Armstrong (CA) Finance and Governance Manager (Secretary)
Brendan Smith (BS) Head of Corporate Services
Sara Templer (ST) Communications Officer (Minutes)

Other Officers in Attendance:

Marie Matthews (MM) OFMDFM
Rodney Allen (RA) NIAO (External Audit)
Pauline Poots (PP) Capita (Internal Audit)

Apologies:

Christine Burns (CB) NIAO (External Audit)
Patricia McIntyre (PMcI) OFMDFM

A Apologies

A1 It was reported RS would join the meeting at 3pm.

B Minutes of Previous Meetings

B1 15 December 2015: The minutes of the meeting were agreed.

B2 1 March 2016: The minutes of the meeting were agreed.

C Action Points

- C1 Arising from 15 December 2015: This Committee noted that this action continues to be progressed.
- C2 Arising from 1 March 2016: It was noted that AP1, AP2, AP3 and AP4 were all complete.
- C3 Arising from 1 March 2016: AP5: It was noted that the revised Terms of Reference would be submitted for consideration at the next Board meeting in April 2016.

D Conflict of Interest

- D1 No conflicts of interest were declared.

E Accounting Officer Update

The Interim CEO and Accounting Officer presented the update report, highlighting the following points:

E1 Progress against Corporate and Business Plan

At March 2016 month end, all objectives have been completed except for three which are currently marked amber. These relate to the following points:

- VSS Dungannon Office Move: This has been delayed; however, this delay has had no budget implications and actions are ongoing to ensure completion within the first half of the next financial year.
- Co-Design Programme: It was noted that 57 of the original 70 recommendations made in the Independent Assessment of the VSS are now closed, with the outstanding ones concerning monitoring and evaluation, the assessment of individual needs, and service delivery being addressed as part of the ongoing Co Design Programme which will continue into 2016/2017.

The Chair enquired about the status of the bespoke MIS tender process. MB informed the Committee that evaluation of the two tenders had been carried out, however, that an award had not been issued to date. The VSS is currently awaiting OFMDFM approval to proceed as the preferred tender's projected costs exceed those outlined in the business case by more than 10%.

E2 Progress against Budget

MB advised that there is a risk of a c£220K underspend, and that the current priority for the VSS is to maximise expenditure within INP. It was noted that £400K in awards remains outstanding to be claimed and that the deadline for submission of receipts had been extended from 15 April 2016 to 29 April 2016 to maximise expenditure.

The Chair noted this and the importance of ensuring that the VSS does not exceed the 1.5% underspend threshold. MB confirmed that this target was still achievable and that she was confident everything has been done since December 2015 regarding client engagement to maximise expenditure.

The Committee discussed the option of over committing on the 2016/17 budget to ensure full budget spend but acknowledged this was a decision for the VSS Board. The Committee requested updates in this regard.

MB informed the Committee that the budget for 2016/17 has been confirmed as 13.245m which is the same as the 2015/2016 opening position and indicated that detailed analysis of the budget will be available by the end of April 2016. MB indicated that a key risk for the VSS to manage over the coming year will be to manage the expectations of new individuals coming forward, since this budget will only support existing groups and clients. With this risk in mind, MB informed the Committee that the VSS intends to bid for additional monies in the June 2016 Monitoring Round.

E3 Strategic Risk Register

The Interim CEO and Accounting Officer noted that the Risk Register reflects the key points addressed above and below in this update.

E4 Corporate Services Progress Report

The Interim CEO and Accounting Officer reported that the 10% spot check of 2015/16 Financial Assistance is almost complete, and is showing an error rate of 8-10%.

It was noted that an Options Paper for the delivery of the Scheme moving forward has been prepared by the VSS and has been provided to the VSS Board, the CVS and OFMDFM. The options range from full application and assessment to minimal requirements. The VSS recommends the adoption of the Option 2: Full Assessment – Reduce Application Format as it will be implemented with sensitivity to seriously injured clients.

MB communicated that the CVS has agreed to this approach and OFMDFM has noted that this is how the VSS will proceed in 2016/17. The NIAO confirmed that it is up to date with these developments, but cannot comment other than to note that it is positive that the CVS agree and that OFMDFM has not identified any problems with this approach.

The Chair noted that the agreed way forward seems proportionate and appears to mitigate the financial risks associated with the Scheme.

F Internal Audit Update

F1 2015/16 Internal Audit Plan - Status Update

PP updated the meeting as follows:

- All reports delivered to date have confirmed a Satisfactory level of assurance.
- The remaining draft audit reports are due for completion in the coming weeks and will be forwarded to the VSS promptly thereafter
- The Annual Assurance Report will be ready for the next ARC meeting.
- The draft Audit Plan for 2016/17 will be agreed with VSS in advance of the next ARC meeting.

F2 Final Report – ICT

PP provided the Committee with an overview of the final report in relation to ICT.

G1 External Audit

It was noted that at this early point in the year, there is no business to report in relation to External Audit.

H Standing Agenda Items

The Chair asked the VSS Finance and Governance Manager to provide an update on these agenda items.

H1 ARC Self Assessment

CA reported that of the nine recommendations made in the Assessment, four are now complete and indicated that work is underway to address the remaining five, all of which are inter-related and will be closed within the month.

The Chair noted that it will be appropriate to close these before considering any actions for 2016/17

H2 ARC Training Update and Requirements

The Committee noted the update provided.

H3 Gifts and Hospitality Update

The Committee noted the update provided.

H4 Compliance Update (Tabled)

CA provided an update in respect of the compliance cases open at 31 March 2016.

The Chair noted that progress has been made in relation to all open cases on the Register and thanked the Finance and Governance Manager and her team for this work.

H5 Procurement Update

The Committee noted the update provided.

I Any Other Business

I1 Permanent CEO Position

SM provided an update on the recruitment of the CEO:

J Date of Next Meeting

The date of the next meeting is scheduled for Tuesday, 26 July 2016 at 2pm.

It was agreed that members would attend as follows:

- 1.30pm – CD, SM, BMcD, RS, MB with BS, CA if necessary
- 2.00pm – All other members