



Minutes of the VSS Audit and Risk Committee
Tuesday, 20 June 2017, 2.00 pm
Grosvenor House, Belfast

ARC Members Present:

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

VSS Officers in Attendance:

Margaret Bateson (MB)	CEO and Accounting Officer
Caroline Armstrong (CA)	Finance and Governance Manager

Other Officers in Attendance:

Alan Davidson (AD)	Capita (Internal Audit)
Marie Matthews (MM)	TEO
Joanne McClements	TEO

Apologies:

Seamus Magee (SM)	Board Member
Kathy Doey (KD)	NIAO (External Audit)
Rodney Allen (RA)	NIAO (External Audit)
Colin Moffett (CM)	TEO

A Apologies

A1 Apologies were received from SM, RA, KD and CM

B Minutes of Previous Meetings: 15 March 2017

B1 The minutes of the previous meeting were agreed.

C Action Points

C1 The Committee noted the update provided.

C2 MB provided an update on recruitment of a qualified Accountant to join the ARC and advised the Committee that no applicants were received in the recent recruitment exercise, which was the second to be carried out. The Committee discussed possible solutions:

- NICS Co-opting
- Managed Service
- Pro Bona work from accredited body

AP1: The VSS to discuss solutions with the Board to determine a course of action

D Conflict of Interest

D1 No conflicts of interest were declared.

D2 The Committee noted the 2017/18 Register of Interests.

Presentation – New Service Delivery Model: 2017 – 2020

MB outlined the new 2017 – 2020 service delivery model outlining, in particular, the new INP framework.

MB also provided an update on VSP and PIV applications for 2017/18.

MB updated the ARC on the shift towards strategic outcomes, moving away from reporting on outputs to outcomes.

The ARC thanked MB for the presentation and discussed the changes.

The ARC found the presentation helpful and indicated that it would have been beneficial for NIAO to have attended the ARC today as they would have found the presentation and update on the new service delivery useful.

The ARC requested that the presentation be circulated to all ARC members.

AP2: Circulate presentation on new service delivery model.

E Accounting Officer Update

The Chair asked the Chief Executive to present the Accounting Officer Update.

E1 CEO Exception Report

MB presented this report and provided an update on the Board Planning Day (annexed to the Report), particularly in respect of the re-alignment from monthly to quarterly reporting and the development of new M&E

MB also drew the Committee's attention to section 3.3 regarding the PR Contract and outlined the key issues and proposed solution. MB indicated that legal advice has been obtained and TEO has been notified. The Committee were content that suitable steps had been taken to avoid a re-occurrence. The Committee discussed the proposed solution and were content to approve the solution proposed allowing for flexibility dependent on agreement with the supplier.

E2 Progress against Budget

The Committee noted the update and the forecasted final position in respect of 2016/17.

E3 Strategic Risk Register

The Committee noted the register, in particular the closure of 4 risks.

MB provided an update on the two new risks which have been identified. The Committee discussed the impact of the Stormont legacy discussions.

The Committee also asked the TEO to consider including the risks surrounding the establishment of the Mental Health Trauma Network to the TEO Risk Register.

AP3: TEO to add Mental Health Trauma Network to TEO Risk Register.

E4 INP 17/18 Governance Checks

The Committee asked MB to present the findings of the exercise.

MB outlined the findings and recommendations, highlighting that the risk is presently less than 2%

MB indicated that the paper had been produced by the INP Programmes Manager in consultation with TEO. MB advised that she has met with all the key stakeholders to discuss the findings (TEO, NIAO and CVS).

The Committee thanked MB and the INP Programmes Manager for the report which provides an update on a comprehensive piece of work. The Committee note:

- the exercise has demonstrated a low risk overall;
- the significant findings in respect of Carers; and
- the recommendation regarding 10% annual spot check.

The Committee noted the overall positive nature of the report and findings.

The Committee also note that Internal Audit with TEO have been notified as have the VSS Internal Auditors.

F Quarterly Reports

F1 Quarterly ALB Report

The Committee noted the Quarterly ALB Report.

F2 Quarterly Assurance Statement

The Committee noted the Quarterly Assurance Statement.

G Internal Audit Update

The Chair asked AD to present these papers.

AD provided an update on each report and highlighted the change in Assurance ratings.

G1 Final Report – 2016/17 - Procurement

AD provided context to this report (the fieldwork was completed before the PR contract was awarded) and briefed the Committee on the two Priority 3 recommendations.

G2 Final Report – 2016/17 – Client Services

AD provided context to the report on the three Priority 3 recommendations.

G3 Final Report – 2016/17 – Budget Management / INP Payments

AD provided context to this report and indicated that there were no recommendations made, however, briefed the Committee on one Observation noted.

G4 Annual Assurance Report – 2016/17 - Draft

AD indicated that the remaining outstanding audit reports are close to finalisation and was, therefore, content to present the draft report at this time. The report provides a Satisfactory rating for 2016/17.

AD also commented on the positive trajectory regarding internal audit in that the number of recommendations made are reducing year on year as is the priority rating.

H External Audit Update

NIAO were not present to provide an update, however, did indicate, when providing apologies, that they note the update on the spot check (E4) and will engage with TEO regarding this, if necessary.

I Standing Agenda Items

The Chair asked CA to present these papers.

I1 2016/17 ARC Self Assessment Report and Action Plan

The Committee noted the report and action plan provided.

I2 ARC Training Update and Requirements

The Committee noted the update provided.

I3 Gifts and Hospitality Update

The Committee noted the update provided.

I4 Compliance Update

The Committee noted the update provided and asked when TEO will advise on closing the 10 suspected fraud cases still on hold. This matter was discussed and the Committee agreed to write formally to request an update on this position.

AP4: ARC to write to TEO to formally request an update on the 10 suspected fraud cases on hold.

The Committee also discussed the three debtors outlined and requested that verification actions be exhausted with the Insolvency Practitioner in respect of one case and bring back to the ARC to consider further actions thereafter.

AP5: CA to exhaust verification with the Insolvency Practitioner

I5 Procurement Update

The Committee noted the update provided.

J Any other Business

J1 2017/18 Internal Audit Plan

The Committee enquired as to the status of the 2017/18 Internal Audit Plan.

AP6: CA to circulate the 2017/18 Internal Audit Plan to members when compiled

K Date of Next Meeting

The date of the next meeting is scheduled for Wednesday, 20 September 2017. However, this will be re-scheduled to October 2017 to align with the new quarter end reporting.

AP7: CA to re-schedule the dates of the remaining ARC meetings in 2017.