



**Meeting of the Audit and Risk Assurance Committee held on
11 March 2024 at 10.00am
Quigley Room, James House Head Office**

Present: Lee Wilson (Chair)
Clare Duffield
Mark Spence
Orla Sheils
Sarah Havlin

In attendance: Don Leeson (Chief Executive)
Anne Dorbie (Interim Director of Corporate Services)
Brian Stewart (Ross Boyd Chartered Accountants)
Stephen Brannigan (NIAO)
Sarah Davidson (NIAO)
Chris Telford (SCC-Internal Audit)
Martin Woods (Head of Holiday Pay Team)

Apologies:

Paul Lowe was noted as an apology.

The Chair welcomed everyone to the Committee meeting, giving particular welcome to **Martin Woods** who is here to present on the Holiday Pay Agenda item.

1. **Martin Woods** outlined the issues regarding the Holiday Pay issue and the number of claims registered and the number of claimants involved.

Martin covered:

- What gave rise to the legal proceedings
- The emphasis on an individual's consent to settle an agreement personally.
- The approach to working collectively with individuals
- The mechanisms for seeking LRA support
- The issue facing employers of determining both back pay and future policy in this area
- The process itself

The **Chair** sought clarification on the timeframe for the processing of claimants and if there is likely to be an upsurge in calls to the helpline as more information is disseminated and cases are settled. Martin explained this is a complete unknown and whilst it is anticipated to increase the volume is unpredictable.

The **Chair** identified the key risks as reputational, financial, recruitment, uncertainty of demand and the legal direction of the issue.

The **Chief Executive** highlighted the risks as detailed in the business case submitted to the Department. Key is the potential duration and cost to the Agency of the project if the additional funding was not approved by the Department.

The **Chief Executive** also suggested that the significant number of pension cases received would also impact the Agency's ability to process Holiday Pay claims.

Claire Duffield sought clarification on whether the cases were more private or public sector and in light of the significant volume would there be criteria for prioritisation of claims. The **Chief Executive** said it would largely be founded on the stage of the agreement and was the money in place to pay the claim.

Sarah Havlin highlighted that it is difficult to have a Communications Strategy in the absence of a clear message although it was recognised that scenarios had been explored to form the communications strategy.

Declarations of interest: None

The **Chair** advised attendees of the need to raise any conflicts that may arise during the meeting.

2. Minutes of the Last Meeting

2.1 The minutes of the Audit and Risk Assurance Committee meeting held on 13 December 2023 (paper ARAC 01-03/24) were agreed as an accurate record and approved by the Committee.

3. Matters Arising from the Last Meeting

3.1 The **Interim Director of Corporate Services** confirmed there were no outstanding actions.

4. Chief Executive's Business

4.1 The **Chief Executive** gave an update on a range of issues.

4.2 The Business Plan has been submitted to the Department subject to budget confirmation to include pay award increases and Holiday Pay

Team.

4.3 The **Chief Executive** recruitment process is underway with interviews to be completed by the end of April and an appointment in May.

4.4 The **Chief Executive** explained the review of the Senior Leadership Team would reflect the growth of the Agency through the Holiday Pay Team (if approved) and that additional funding would be required.

4.5 The **Chief Executive** updated the group on the work of the Agency regarding the Good Employment Charter and the Minister's direct interest in it.

5. External Audit Matters

5.1 **Stephen Brannigan** opened up discussion on the Audit Strategy for 2024/25 Annual Report and Accounts (paper ARAC 02-03/24)

5.2 **Stephen Brannigan** highlighted the tight timetable for the issuing of the C&AG's Certificate and the RTTCWG. It was noted that an additional ARAC meeting may be required to meet the Board timetable of 21st June.

5.3 **Brian Stewart** stated that interim audit work had been carried out and there were no issues identified at this stage.

5.4 **Brian Stewart** explained the key risks are management override and the accounting treatment of the dilapidations in 2023/24.

6. Internal Audit Matters

5.1 The Head of Internal Audit, **Chris Telford** presented the Review of Audit Recommendations report (paper ARAC 03-04/24) and the Progress Report (paper ARAC 04-03/24) which was noted by the Committee.

5.2 The **Chair** sought clarification on Cyber Security Training for new staff.

7. Risk Management

7.1 The **Chief Executive** presented the Corporate Risk Register for 2023-24 (as at March 2024) (paper ARAC 05-03/24), which was reviewed by the Committee.

7.2 The **Chair** asked if the movement within the SLT should be on the risk register. The **Chief Executive** explained at this stage that maybe premature as no risks had been identified yet.

7.3 The **Chair** explained that Joy Allen will be with the Board in May to review the Risk register in full.

8. Raising Concerns/Whistleblowing

8.1 No cases were reported.

9. Governance Policies

9.1 One DAO was presented DAO (DoF) 01/24, Guidance on Accounts Directions For 2023-24 (ARAC 07-03/24).

10. Any Other Business

10.1 The **Chief Executive** confirmed that no Direct Award Contracts have been agreed since the last meeting.

10.2 The Committee confirmed the training by On Board Training was useful and relevant.

10.3 The Committee completed the Annual Self-Assessment Checklist (ARAC 06-03/24). The **Chair** explained the potential of using assurance mapping going forward. The Checklist review was agreed by the Committee.

As a result of the review the Committee asked for Fraud, FOI and Complaints data to be brought to the Committee along with raising Concerns.

11. Date of Next Meeting

The next routine meeting of the Committee will be held on 10 June 2024 at 10 am in James House.

Action: Executive Assistant