

**Meeting of the Audit and Risk Assurance Committee
held on 10 June 2024 at 10.00am in Room 1.7, James House Head Office**

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

In attendance: Don Leeson (Chief Executive)
Anne Dorbie (Interim Director of Corporate Services)
Paul Cassidy (Finance Officer)
Brian Stewart (Ross Boyd Chartered Accountants)
Barry McLeod (DfE)
Jamie Treacy (Baker Tilly Mooney Moore)
Karen Costley (NIAO)
Chris Telford (SCC)
Sean Cavanagh (SCC)
Vicky Aldana (Boardroom Apprentice)

Apologies: Sarah Havlin

Prior to the formal start of the meeting, and in line with recommended practice, Committee members met in-camera with Internal and External Audit to discuss their views on the Agency's governance and control arrangements. The outcome of these discussions is reported under agenda item 1.

Declarations of interest: None

1. Introductions and Apologies

1.1 The Chair welcomed everyone to the meeting, noting this was the Chief Executive final Audit and Risk Assurance Committee meeting before retirement.

1.2 The Chair reported on the Committee's in-camera discussions with Internal and External Audit. No concerns were raised, and the Committee noted that the auditors had received full cooperation and support from staff while undertaking audit fieldwork.

2. Minutes of the Last Meeting

- 2.1 The minutes of the Audit and Risk Assurance Committee meeting held on 11 March 2024 (paper ARAC 01-06/24) were agreed as an accurate record and approved for publication on the Agency's website.

Action: Executive Assistant

3. Matters Arising from the Last Meeting

- 3.1 It was noted that, in addition to Raising Concerns (whistleblowing) matters, information requests received under Freedom of Information and Data Protection legislation and customer complaints are now standing agenda items, as requested by the Committee.

4. Chief Executive's Business

- 4.1 The Chief Executive provided an update on a range of strategic issues of relevance to the Committee's work.
- 4.2 The Agency's Business Plan for 2024-25 has been approved by the Minister for the Economy.
- 4.3 The Department for the Economy has also confirmed the Agency's opening budget allocation, which includes provision for the 2023 pay award and some additional funding for holiday pay conciliation. It was noted that the Budget was approved at the May 2024 Board meeting and that the Agency is seeking additional funding through June Monitoring for pressures caused by an increase in employer pension contributions and in anticipation of the forthcoming 2024 pay award.
- 4.4 Capacity issues within the Senior Leadership Team were noted. A recent review has recommended the creation of a new permanent Director post; a job description and business case for this new post are being developed for Board and DfE approval. In the meantime, the Board has approved the creation of a temporary additional post to lead a number of key strategic and high-risk projects; this is being filled by the transfer of the current Director of Corporate Services, with the Interim Director of Corporate Services retained until March 2025.
- 4.5 The Committee noted progress with the transformation project, with restructuring of Employment Relations Services due to take place in October 2024.

- 4.6 The Chief Executive thanked the Committee for the support it has given to him in his role as the Agency's Accounting Officer. It was noted that the incoming Chief Executive will be designated as the Agency's Accounting Officer with effect from 1 September 2024 and will attend the next Committee meeting.

Action: Executive Assistant

5. External Audit Matters

- 5.1 The Committee reviewed the Annual Report and Accounts for 2023-24, particularly the Governance Statement (paper ARAC 02-06/24).

- 5.2 The Agency's accountant briefed the Committee on the Financial Statements, which were noted by the Committee.

- 5.3 External Audit presented the draft Report to Those Charged With Governance (RTTCWG) on the outcome of the audit of the Annual Report and Accounts for 2023-24. One Priority 2 recommendation is made in relation to the approval of purchase orders; this is accepted by the Agency and a response is being prepared for inclusion in the final RTTCWG.

Action: Interim Director of Corporate Services

- 5.4 In terms of next steps, the Annual Report and Accounts will be finalised in light of the audit findings for approval at the June 2024 Board approval. Thereafter, it will be submitted to the NIAO for certification.

Action: Chief Executive

- 5.5 The NIAO advised of restrictions in laying annual report and accounts during the General Election and the consequential risk of delay in certification by the Comptroller and Auditor General. The NIAO will liaise with the Chief Executive regarding the appropriate time to formally sign the Agency's Annual Report and Accounts for 2024-25 and submission to them for certification.

Action: NIAO

- 5.6 The Committee, Chief Executive and Interim Director of Corporate Services expressed their appreciation to the Agency's Finance Team and accountant, and External Audit, for their work in progressing the Annual Report and Accounts to this stage.

6. Internal Audit Matters

- 6.1 Internal Audit presented the findings from the audits of Budgetary Financial Control (paper ARAC 03-06/24), Data Protection (paper ARAC 04-06/24), and the Review of Previous Recommendations (paper ARAC 05- 06/24), which were noted by the Committee. The Committee also noted the Public Sector Internal Audit Standards under which the audits were conducted and conformity with these (paper ARAC 06-06/24).
- 6.2 The audits concluded that 'satisfactory' assurance is provided regarding the controls in place for these areas. A small number of recommendations have been made for improvement. The management responses to these recommendations were noted by the Committee.
- 6.3 As a result of the audits, 'satisfactory' assurance (the highest assurance rating possible) is provided in the Internal Audit Annual Assurance Statement for 2023-24 (paper ARAC 07-06/24). This will be reported to the Board.

Action Committee Chair

7. Risk Management

- 7.1 The Chief Executive presented the draft Corporate Risk Register 2024-25 (paper ARAC 08-06/24), which was approved by the Committee for submission to the Board.

Action: Interim Director of Corporate Services

- 7.2 Once approved, the Register will form the basis for risk management by the Senior Leadership Team throughout 2024-25. The Register, which will be regularly updated, will be reviewed at each Committee meeting. New risks and risks escalated to 'Extreme' will be reported to the Board.

8. Audit and Risk Assurance Committee – Annual Report

- 8.1 The Committee Chair presented the draft report to the Board on the Audit and Risk Assurance Committee's work in 2024-25 (paper ARAC 09-06/24). This was approved for submission to the June 2024 Board meeting.

Action: Committee Chair

- 8.2 The Committee Chair thanked Committee members for their work during the year, and the Interim Director of Corporate Services for her support in preparing the draft report.

9. Any Other Business

- 9.1 The Interim Director of Corporate Services confirmed that no Direct Award Contracts have been agreed since the last meeting.
- 9.2 The Committee noted a report on complaints (two), information requests received (four), fraud incidents (nil), and issues raised under the Raising Concerns policy (nil) to date in 2024-25 (paper ARAC 10-06/24).
- 9.3 External guidance documents received since the last meeting were noted by the Committee (paper ARAC 11-06/24).

10. Date of Next Meeting

- 10.1 The next Committee meeting will be held on 9 September 2024 at 10.00am, in James House.

Action: Executive Assistant