



## **Minutes of the VSS Audit and Risk Committee**

**Thursday, 19 April 2018, 10.00am**

**Seatem House, Belfast**

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### **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
Andrew Walker (AW)	Head of Corporate Services
Maria McKeown (MMcK)	Project Administrator (Minutes)

### **Other Officers in Attendance:**

Colin Moffett (CM)	TEO
Marie Matthews (MM)	TEO
Kathy Doey (KD)	NIAO (External Audit)
Tomas Wilkinson (TW)	NIAO (External Audit)
Pauline Poots (PP)	Ernst & Young (Internal Audit)
Lisa Malcolmson (LM)	Ernst & Young (Internal Audit)

### **Apologies:**

Seamus Magee (SM)	Board Member
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## **A Apologies**

A1 Apologies were received from SM.

## **B Minutes of Previous Meeting**

B1 The minutes of 23 January 2018 were agreed.

## **C Action Points**

The VSS provided an update on the outstanding action points:

- 20.6.17: AP1: Most recent recruitment exercise was unsuccessful. An advertisement for co-opting has been circulated to NICS Departments, closing 13<sup>th</sup> April 2018, however no applications were received. TEO to consider feedback from the competition and revert to VSS.
- TEO Checklist: ARC Chair attend Dept Workshop: The ARC Chair awaits notification from TEO.
- TEO Checklist: Bi-laterals: These have been scheduled to follow this ARC meeting (19.4.18)

## **D Conflict of Interest**

No conflict of interests were declared.

AW confirmed all VSS staff have recently been asked to complete an annual Conflict of Interest form.

## **E Accounting Officer Update**

The Committee requested an update on the following:-

### **E1 CEO Exception Report**

MB provided an update on the key strategic issues including:

- Progress against Business Plan targets: 27 out of 30 targets achieved. The 3 targets that will remain outstanding relate to Disability Aids and 2 new schemes: Trauma-Focused Physical Activity, and Literacy and Numeracy. This is primarily due to the longer than expected establishment of new networks, structures and processes in 2017/18. This year is the first year of a 3 year (VSP) and 4 year (PEACE IV) programme. These will therefore form a particular focus in terms of proactive outreach in Year 2 -2018/19.

VSS has received positive feedback from the 'Victims Choice' review. VSS has successfully been awarded a Quality Mark. The ARC chair and Members of the Audit and Risk Committee congratulated the VSS in this achievement.

Committee noted the unexpected death of a client, and the support in place for staff within VSS in relation to this matter.

## **E2 Progress against Budget**

VSS Budget: At December 2017, the VSS forecast an underspend primarily arising from Disability Aids and Psychological Therapies due to lower than anticipated numbers coming forward. Mitigating action has been taken and a call was issued to VSS funded organisations. A call for funding effective 1<sup>st</sup> January 2018 to 31<sup>st</sup> March 2018 was made, resulting in an allocation of £563k across the following areas: (1) Critical Health and Wellbeing (including psychological therapies); (2) Other Health and Wellbeing/Social Support; (3) Small capital items (particularly for new staff) and (4) Welfare Reform. Final underspend is forecast to be in the region of 0.5% - 1%

## **E3 Strategic Risk Register**

MB provided an update on the current risks and indicated that 2 new risks had been added at March 2018 month end with 1 risks closed. The Committee were content with the mitigating actions being taken.

## **F Quarterly Reports**

### **F1 Quarterly ALB Report**

The Committee noted this report.

### **F2 Quarterly Assurance Statement**

The Committee noted this report.

### **F3 Quarterly M&E Report**

The Committee noted this report.

## **G Internal Audit Update**

The Committee requested an update from the Head of Internal Audit.

PP tabled a progress update report. Fieldwork has been completed in the following three areas: Budget Management/INP Payments, PEACE IV funding and GDPR preparedness, draft reports to be issued in the coming weeks. Final reports have been issued (Mar/Apr 18) on the following three areas: VSP opening, VSP Compliance and Follow up of open audit recommendations.

## **G1 2017/18 Internal Audit Report – VSP Closing**

PP presented this report highlighting the 3 recommendations: one at priority 2 and 2 and priority 3. The overall rating for this report is satisfactory and the Committee noted the recommendations and that they have been accepted by VSS.

## **G2 2017/18 Internal Audit Report – VSS Opening**

PP presented this report highlighting the two recommendations: 1 at priority 2 and 1 at Priority 3. The overall rating for this report is satisfactory and the Committee noted the recommendations and that they have been accepted by VSS.

## **G3 2017/18 Internal Audit Report – Follow-up of Recommendations**

PP presented this report. 18 Audit recommendations were made from VSS previous provider from during the 2014-2015, 2015-2016 and 2016-2017 years. 7 of these were priority 2 and 11 priority 3. From the 18 recommendations made VSS has fully implemented 13, 1 has been partially implemented and VSS have provided a rationale for this, the remaining 4 are no longer applicable and can be closed.

## **G4 Internal Audit Framework (2018/19 plan)**

PP provided an update, and the audit plan for 2018/19 was approved by the Committee.

***AP1 GDPR report to be circulated to each member of the committee when it becomes available.***

## **H External Audit Update**

### **H1 2017-2018 preliminary timeline**

TW provided a verbal update. Planning work will begin in May and an audit strategy will be provide at the next committee meeting in July 18. NIAO timeline for 17/18 audit is unchanged to 16/17 (accounts submitted September, fieldwork in October)

## **I Standing Agenda Items**

AW present these papers.

### **I1 2016/17 ARC Self Assessment Report and Action Plan**

The Committee noted this paper.

### **I2 2017/18 ARC Self Assessment arrangements**

The Committee noted the update.

### **I3 ARC Training Update and Requirements**

The Committee noted the update.

### **I4 Gifts and Hospitality Update**

The Committee noted the update.

### **I5 Compliance Update**

AW provided an updated on the suspected fraud cases. There are now 16 cases which have been closed by GFIS, including 8 which have been reviewed by FIOG. In these 8 cases, VSS will now make a proposal on the approach to recovery/sanctions. FIOG has requested VSS responses to the recommendations raised in these cases.

There was one new whistle-blowing case in the period to 31 March 2018. This relates to a funded organisation. One older whistle-blowing report remains open at 31 March 2018 (VSS/FR/33). A GFIS report has been received in respect of this case, which makes some recommendations, however no financial penalty or recovery is required. This case will be considered closed following VSS confirmation of acceptance of the GFIS recommendation.

### **I6 Procurement Update**

The Committee noted the update.

**J Any Other Business**

**J1 DAO (DOF) 03/18**

The committee noted the Audit and Risk Assurance Committee Handbook, specifically the revised sections on whistleblowing and cyber security.

**K Date of Next Meeting**

The date of the next meeting is scheduled for Thursday, 19 July 2018.