

**Minutes of the VSS Audit and Risk Committee**  
**Wednesday, 6<sup>th</sup> August 2019, 10am**  
**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
Briege Lafferty (BL)	ARC Member

**VSS Officers in Attendance:**

Margaret Bateson (MB)	CEO and Accounting Officer
Andrew Walker (AW)	Head of Corporate Services
Tara Lewsley (TL)	Finance and Governance Manager
Lizzy Graham (LG)	Governance Officer (Minutes)

**Other Officers in Attendance:**

Marie Matthews (MM)	TEO
Lisa Malcolmson (LM)	Ernst & Young (Internal Audit)
Pamela Dugdale (PD)	NIAO (External Audit)

**Apologies:**

Pauline Poots (PP)	Ernst & Young (Internal Audit)
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**A Apologies**

Apologies were received from PP.

**Welcome and Introductions**

CD welcomed Briege Lafferty to the VSS ARC and introduced each ARC attendee.

**B Minutes of Previous Meeting**

**B1** The minutes of 17 April 2019 were agreed and adopted.

## **C Action Points**

The Committee noted that AP1 from the previous meeting, to update the ARC training report, had been completed. AP2, ARC members to identify and request training, remains open.

## **D Conflict of Interest**

All papers were noted by the Committee and no conflicts of interest were declared.

## **E Accounting Officer Update**

### **E1 CEO/AO Exception Report**

MB provided the Committee with an update on current progress against business plan targets and delivering on outcomes. It was noted that it is too early in the financial year to make meaningful comment on progress, however, no initial concerns have been raised other than around the achievement of the Volunteering and Social Isolation targets, as identified in previous periods.

MB advised the Committee that, at time of writing, VSS anticipates very close to full spend against budget for the 2018/19 financial year.

The Committee noted two new risks identified during the period, as follows:

- Risks associated with termination of funding with a VSP and PIV funded organisation.
- Risk that funded organisations fail to apply appropriate safeguarding measures.

MB provided details of mitigation strategies in place to address these risks.

The Committee also noted that two risks coming forward from 2018/19 were closed during the quarter, as follows:

- The INP Home Heat Scheme was closed to new entrants in 2019/20 to mitigate the risk of increasing numbers and costs absorbing an increasing proportion of the INP budget.
- The INP Spot Checks found a very low error rating for the 5% of cases sampled. VSS will now review learning of three years of spot checks. The INP cash award element was opened in May 2019 and all relevant awards and payments issued.

MB advised the Committee that one whistleblowing case relating to a funded organisation remained open during the period. The corresponding GIAFIS review has been completed and the findings of that review caused VSS to engage an

independent Governance Review, which remains ongoing. VSS continues to fund salary and running costs to allow the organisation to continue operation pending the outcomes of the GIAFIS and Governance review.

## **E2 Progress against Budget**

This paper was noted by the Committee.

BL raised the question of where funding for the PIV programmes would come from following a no-deal Brexit. SEUPB have indicated that PIV funding will remain committee for the duration of the project. In addition, TEO have confirmed a funding guarantee.

## **E3 Strategic Risk Register**

The Committee noted this paper, including the two new risks and two risks closed during the period, as discussed during the CEO Exception Report.

## **F Quarterly Reports**

### **F1 Quarterly ALB Report**

The Committee noted this report.

BL requested an update on the potential PIV cash flow difficulties.

AW advised that VSS will have a more clear idea of the impact once a business plan decision has been communicated by SEUPB. VSS is hopeful that a decision will be made within a couple of months.

### **F2 Quarterly Assurance Statement**

The Committee noted this report.

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

The Committee noted this report.

## **G Internal Audit Update**

### **G1 Internal Audit – 2019-20 Progress against Plan**

LM provided a verbal update on the current progress of Internal Audits conducted during the period, with the written reports expected ahead of the next ARC meeting.

## **G2 Internal Audit – 2019-20 Final Internal Audit Plan**

The Committee noted the Final Internal Audit Plan for 2019-20.

## **H External Audit Update**

### **H1 Update (no paper)**

PD provided the Committee a verbal update with regard to the upcoming NIAO Audit. The onsite review is expected to commence on 3 October 2019. It was noted that it is likely that the VSS CEO will be on a period of planned extended leave by the time NIAO have completed their review. In addition, it was noted there is a risk that some Board members may be out of contract by the release of the NIAO report. VSS is currently working with TEO to address this.

## **I Standing Agenda Items**

AW presented these papers.

### **I1 2018/19 ARC Self-Assessment Report and Action Plan**

The Committee noted this report.

### **I2 ARC Training Update and Requirements**

The Committee noted this paper.

AP1: TL to update the training report to include the date of training attended by CD.

### **I3 Gifts and Hospitality Update**

The Committee noted this paper.

### **I4 Compliance Update (tabled)**

AW provided the Committee with an update on the five suspected fraud cases open at the quarter end. The Committee noted that one case is awaiting a CCNI Final Report and four have been referred to TEO / GFIS.

The Committee noted that four INP debtor balances remain open which are being actively sought / offset.

The Committee noted that no new Whistleblowing cases emerged during the period with one previous case still open, having been referred to TEO / GFIS as suspected fraud.

There were no new Ombudsman Complaints or Assembly Questions received during the period.

It was noted that six Freedom of Information Requests were received during the period. Four of these were from one individual relating to one issue. Five of the six have been closed with responses issued within the appropriate timeframes. One remains open while VSS requests clarification of the request.

One Governance review was initiated into a funded organisation at the start of the period. The review has concluded and, as a result of the findings, VSS has terminated the letter of offer for that organisation. Another Governance review was initiated during the period into a second funded organisation in relation to a suspected fraud case. This review remains ongoing.

The Committee noted that one complaint regarding VSS was received in the period which has since been closed and then appealed. On review the Board made the decision that the complaint was not upheld. Four complaints were received in respect of funded organisations during the period. One has since been closed with three remaining open with communication of outcome pending. A second earlier complaint was also closed during the period.

The Committee noted a spike in the level of incoming calls and drop ins to VSS during May, associated with the release of INP payments.

## **I5 Procurement Update**

The Committee noted the update.

## **I6 Data Protection**

The Committee noted that a Data Sharing Agreement remains outstanding from one funded organisation. The organisation have now sought legal advice and the case has been passed to DPO for resolution. It was also noted that no new data breaches occurred during the period.

## **J Any Other Business**

It was noted that the VSS CEO has planned an extended period of unpaid leave during December to February. MB advised that a continuity plan is in place.

## **K Date of Next Meeting**

The date of the next meeting is scheduled for Wednesday 16 October 2019.