

Minutes of the VSS Audit and Risk Committee**Wednesday, 16th October 2019, 13:00pm****Seatem House, Belfast**

ARC Members Present:

Bertha McDougall (BMcD)	Board Member (Chair)
Richard Solomon (RS)	Board Member
Briege Lafferty (BL)	ARC Member

VSS Officers in Attendance:

Margaret Bateson (MB)	CEO and Accounting Officer (Telephone)
Tara Lewsley (TL)	Head of Corporate Services
Stephen Ballentine-Kearnes (SBK)	Finance and Governance Manager
Lizzy Graham (LG)	Governance Officer (Minutes)
Melissa McCartan (MMC)	Business Support Officer (Minutes)

Other Officers in Attendance:

Marie Matthews (MM)	TEO
Lisa Malcolmson (LM)	EY (Internal Audit)
Pauline Poots (PP)	EY (Internal Audit)
Kathy Doey (KD)	NIAO (External Audit)

A Apologies

Apologies were received from CD.

Welcome and Introductions

BMcD welcomed the group and introduced each ARC attendee.

B Minutes of Previous Meeting

The minutes of 6th August 2019 were agreed.

C Action Points

The Committee noted that AP2, to review training update, remains open. AP1, to update the training report to include the date of training attended by CD, has been completed.

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 reporting in quarter 2 has raised concerns over the achievement of 4 targets.

It is expected that the targeted outcome in respect of the Regional Trauma Network will not be achieved by 31st March 2020, due to the necessary disengagement by the Victims and Survivors Sector and VSS. MB noted that significant engagement between VSS, political parties, TEO, DoH, HSCB and funded organisations has taken place over the last number of months and coming to an acceptable compromise and resolution is near.

The progress in respect of three PEAVE IV frameworks (1 to 1 Literacy & Numeracy, Volunteering, and Social Isolation) is less than planned at this stage of the year.

MB advised the Committee that the draft accounts submitted to NIAO for year ended 31st March 2019, show VSS spent 99.39% of its allocated budget, well within the 1.5% tolerance for underspend against budget. It was noted that the position at the end of Q2 19/20 is satisfactory.

The committee noted one risk coming forward from Q1 2019/20. Key changes since the last update are as follows:

The risk that the lack of political agreement on the SHA legacy institutions will dilute the strategic impact of the Advocacy Support Programme has been reduced from a red risk to an amber to reflect the publishing by Northern Ireland Office of their Paper.

MB advised there has also been significant work within the Advocacy Support Working Group to develop a reporting framework and work plan. It is expected that this will be agreed at the next meeting of this group in November 2019.

BMCD requested an explanation as to why STG 35 has been changed from Red to Amber. It was agreed that STG 35 should remain red and to be addressed back to board.

MB advised the Committee that the independent specialist in respect of the whistleblowing case have now presented their final report and conclusions of this report are being communicated to the funded organisation, with an action plan to be agreed before funding restrictions are removed.

E2 Progress against Budget

This paper was noted by the Committee.

BMcD referenced Table 2 within the budget report and queried if there are concerns that the INP frameworks will overspend, in particular complementary and Talking Therapies. TL confirmed that between VSP and INP budget allocations we will meet this year's needs, that there are monthly reviews of budgets at operational level.

BL raised a specific concern about the actual spend against budget variance within disability aids framework as this is almost 90% overspent. TL advised that this was a timing difference within the profiling of that budget line but there was sufficient budget to meet the current anticipated needs within this framework.

E3 Strategic Risk Register

The Committee noted this paper.

F Quarterly Reports

F1 Quarterly ALB Report

The Committee noted this report.

BL requested an update on PIV cash flow difficulties and questioned whether it's progressing quickly enough. TL advised that TEO are currently waiting on bid getting approved and have no set date as of yet. VSS is hopeful that a decision will be made within a couple of months.

BMcD queried with MM when decision could be expected. MM responded that there were some further minor queries but should progress for Department of Finance sign off.

F2 Quarterly Assurance Statement

The Committee noted this report.

MB provided an update on a Governance review was completed during the period into a funded organisation in relation to a suspected fraud case. The committee noted that correspondence to the organisation on the findings of the review was in progress.

Following the conclusion of a Governance review earlier in the year, VSS terminated the letter of offer for one organisation. This matter remains the subject of a GFIA investigation and MB advised that VSS continue to assist with this.

F3 Quarterly M&E Report

The Committee noted this report.

G Internal Audit Update

G1 Internal Audit – 2019-20 Progress against Plan

LM provided an update on the current progress of Internal Audits conducted during the period. It was noted that GDPR has been closed out and report drafted.

G2 Internal Audit Report – Review of INP

This report looked at the effectiveness and efficiency of the internal controls and processes surrounding the management of the INP Needs-Based Frameworks.

The report resulted in six recommendations: two **priority two** recommendations and four **priority three** recommendations. VSS confirmed that the implementation of all three recommendations is already underway.

Overall the report resulted in a **Satisfactory** audit rating.

G3 Internal Audit Report – Review of VSP

This report looked at the effectiveness and efficiency of the internal controls and processes surrounding the management of the Victims Support Programme.

The report resulted in four recommendations: one **priority two** recommendation and three **priority three** recommendations. VSS confirmed that the implementation of all four recommendations is already underway.

Overall the report resulted in a **Satisfactory** audit rating.

H External Audit Update

H1 Update (no paper)

Nothing to report.

I Standing Agenda Items

The Committee noted this report.

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.

I3 Gifts and Hospitality Update

The Committee noted this paper.

I4 Compliance Update (tabled)

TL 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. VSS are confident that two debtor balances will be recovered by 2021.

The committee noted one case of whistleblowing in the quarter ended September 2019. A referral to TEO/GFIS was made as suspected fraud in line with required processes. VSS has now closed this case.

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

It was noted that calls in the quarter ended 30 September 2019 have decreased compared to the previous quarter. This is a return to the expected quarterly levels following the Q1 spike due to the issuing of cash based payments.

The Committee noted that two complaints regarding VSS were received in the period, with one not upheld and the other, addressed and actions taken. Two

complaints were received in respect of VSS funded groups during the period, both of which have been closed.

It was noted that one Freedom of Information Request remains open, while VSS requests clarification. MB advised committee that if requests for clarification or amendment are not responded to within three months, the request then lapses and is deemed closed.

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 December. Date TBC.