

Minutes of the VSS Audit and Risk Committee
Thursday, 17 January 2019, 2pm
Seatem House, Belfast

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
Tara Lewsley (TL)	Finance and Governance Manager
Lizzy Graham (LG)	Governance Officer (Minutes)

Other Officers in Attendance:

Marie Matthews (MM)	TEO
Tomas Wilkinson (TW)	NIAO (External Audit)
Pauline Poots (PP)	Ernst & Young (Internal Audit)
Lisa Malcolmson (LM)	Ernst & Young (Internal Audit)

Apologies:

Kathy Doey (KD)	NIAO (External Audit)
David Reid (DR)	ARC Member

A Apologies

Apologies were received from KD and DR.

B Minutes of Previous Meeting

B1 An amendment to the previous minutes was noted, as follows: BMcD expressed her thanks to NIAO and the VSS staff for their hard work in completing the 2017/18 external audit so efficiently.

The minutes of 5 December 2018 were agreed and adopted.

C Action Points

AW provided an update on the one outstanding action points. It was noted that this would be actioned ahead of the next ARC meeting.

D Conflict of Interest

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

E Accounting Officer Update

The Committee requested an update on the following:-

E1 CEO Exception Report

MB provided an update on the VSS progress against business plan.

The ARC noted that while all key targets remain achievable, that the progress against 3 targets is less than expected at this stage in the programme. Remedial actions are underway and achievement is expected.

In terms of compliance it was noted that the VSS Annual report and Accounts for 2017/18 have been audited with an unqualified opinion and were lodged at Companies House on 19 December 2019.

It was also noted that a call for applications was launched for VSP funded organisations for funding in Collaboration and Partnership, and Welfare which resulted in the issue of a small number of awards.

The ARC noted that one of the key focus areas for Quarter 4 was the preparation and submission of a bid for additional funding to SEUPB under Peace IV. VSS hopes to receive a response during quarter 4 and is planning accordingly.

E2 Progress against Budget

TL provided an update regarding VSS progress against budget. The following key points were noted:

- The Corporate Budget is on track to achieve full spend for the year.
- The VSP budget is currently £101,000 underspent as a result of timing issues. It is anticipated that additional funding will be released to funded organisations, reducing the underspend to £40-£50k.
- The INP budget is on track with 96% of the budget committed. It is anticipated that full spend will be achieved by year end.

- The PIV budget has achieved better spend than in 2017/18, however, some underspend is still anticipated due to vacant posts within funded organisations. This will be dealt with through a revised budget profile alongside the additional bid.

E3 Strategic Risk Register

MB presented this paper, noting two new risks which have been identified and added to the strategic risk register, as follows:

- It was identified that the Home Heating element of the Pain Management Framework continues to increase in numbers. There is a risk that an increasing proportion of INP needs-based budget is absorbed into this area.
- It was identified that three areas of the PIV Resilience Programme activity are below target and there is a risk that the delivery plan targets may not be fully achieved in these areas.

It was noted that clear mitigation strategies are in place to see to address these issues during Q4 2019/20.

It was further noted that two risks were closed during the quarter.

F Quarterly Reports

F1 Quarterly ALB Report

AW presented this report, noting the following key points:

- Recruitment is currently ongoing for 3 of the 5 vacant core posts, with the other 2 posts currently suppressed pending the completion of a staffing review.
- Staff absence figures have returned to a more normal level following the return of staff from long term sickness absence.

AP1: AW to align the risk status for the new risk associated with Home Heating across the Quarterly ALB Report and the Strategic Risk Register.

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 Internal Audit Representative.

G1 Internal Audit – 2018-19 Progress Update

PP presented the progress update report, noting that all recommendations have been low risk and all reports have been satisfactory, as previously discussed with the ARC.

LM presented the audit schedule for the remainder of the 2018-19 year, to include HR, PIV Funding and Follow Up audits.

PP advised that the Final Audit Assurance Reports and Final Audit Reports would be presented after year end, with a plan for the proposed 2019-20 audits to be presented at the next ARC.

H External Audit Update

H1 Final RTTCHG with Management Responses

TW presented this report noting that management responses are now included and that all comments have been accepted by NIAO.

CD congratulated the VSS team on the report's findings and outcomes and thanked the NIAO for their work and collaboration.

I Standing Agenda Items

AW presented these papers.

I1 2017/18 ARC Self-Assessment Report and Action Plan

The Committee noted that all actions have been closed.

I2 ARC Training Update and Requirements

The Committee noted some upcoming training course which may be of interest to members, including Public Accountability and Governance training for ARC members.

MB brought the NIAO Good Governance Guide on Board Effectiveness to the attention of the Committee.

The Committee noted that EY would be able to facilitate the completion of the ARC Self-Assessment.

AP2: AW to circulate details of all upcoming training opportunities.

I3 Gifts and Hospitality Update

The Committee noted that this paper has been stripped down to present only the more relevant details.

I4 Compliance Update (tabled)

AW provided an update on the suspected fraud cases. It was noted that six cases were closed during the quarter, with one case remaining open and one new case reported at the start of Q4.

The Committee noted that five INP debtor balances were identified during the period and that approval was received to write off the balance of the one outstanding VSP debtor.

The Committee noted that one new Whistleblowing case emerged during the period. Primary investigations have identified no significant issues and it is expected the case will be closed during Q4.

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

It was noted that two Freedom of Information Requests were received during the period which have both since been closed.

The Committee noted that no complaints regarding VSS were received in the period and two complaints have been received in respect of VSS Funded Groups. One has since gone to appeal, outcome pending, and the other remains open.

AP3: Call Handling and Client Drop Ins table to be updated to show the percentage of calls being answered and provide a rationale for any significant change in figures.

I5 Procurement Update

The Committee noted the update.

I6 Data Protection

The Committee noted that Data Sharing Agreements are still outstanding from two funded organisations. It was also noted that two data breaches occurred during the period, both were deemed to be low-risk and did not require reporting to the ICO. Staff have been reminded to take additional care in relation to protecting data.

J Any Other Business

J1 Code of Conduct

AW presented the new Code of Conduct Policy for consideration of the Committee.

It was noted that the Committee is content with the updated Policy.

J1 Bi-Lateral Meetings

It was noted that the required one to one Bi-Lateral Meetings between the Chair of the ARC and the Chair of the Board, the Internal Auditors, the External Auditors and the VSS CEO and Accounting Officer would take place within the current period.

K Date of Next Meeting

The date of the next meeting is scheduled for Wednesday 17 April 2019.