

**Minutes of the VSS Audit and Risk Committee**  
**Wednesday 15 January 2020, 2:00pm**  
**Seatem House, Belfast**

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**ARC Members Present:**

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

**VSS Officers in Attendance:**

Andrew Walker (AW)	Acting CEO and Accounting Officer
Tara Lewsley (TL)	Head of Corporate Services
Hannah Crookes (HC)	Finance and Governance Manager
Lizzy Graham	Governance Officer (Minutes)

**Other Officers in Attendance:**

Marie Matthews (MM)	TEO
Kathy Doey	NIAO (External Audit)
Allison Busby (AB)	NIAO (External Audit)
Lisa Malcolmson	EY (Internal Audit)

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**A Apologies**

Apologies were received from Colm Doran, ARC Member, and Pauline Poots, EY Internal Audit representative.

**B Minutes of Previous Meeting**

The minutes from meeting on 12 December 2019 were agreed.

**C Action Points**

The Committee noted that AP2, to review training update, remains open with the review ongoing.

It was noted that one point from the previous minutes was not carried over into the Action Points paper, as follows:

VSS to have a separate discussion with TEO to review the current spot check process. It was noted that the spot check has been reduced from 10%, per previous years, to

5%. In addition, the spot check was started earlier in 2019/20 meaning the scheme should be ready to open promptly in April 2020.

## **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**

AW provided the Committee with an update on current progress against business plan targets and delivering on outcomes. Particular attention was drawn to the four targets for which there are concerns regarding their achievement, as detailed below.

It is expected that the targeted outcome in respect of the Regional Trauma Network will not be achieved by 31 March 2020. It is expected that a period of co-design will commence in early 2020 but there will not be operational activity within 2019/20 as envisaged within this key action.

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, but outcomes do remain positive:

- 1-to-1 Literacy & Numeracy: whilst the numbers of individuals/interventions are lower than planned, the outcomes for those supported remain positive and consistent with the VSS objectives in these areas.
- A shift in approach regarding the Volunteering framework means delivery will be different to the original target but the impact of moving to focus on the management of volunteering will have a significant benefit to the capacity and resilience of the sector
- Social Isolation: the target for individual interventions has been achieved with social aids and courses now well established. The planned group call will now take place in 2020/21.

Key focus areas for the upcoming period are the Regional Trauma Network, preparations for additional funding under PEACE IV, preparations for providing support to clients regarding Victims Payments and confirming the role of the VSS in the support of the Historical Institutional Abuse scheme.

Members discussed the Strategic Risk Register, noting the addition of three new risks identified during the quarter, as follows:

- STG55 – Risk that comprehensive and victim-centred approach to provision of support to victims and survivors considering application for Victims Payment is

not in place ahead of launch of scheme on 31/5/20. MM agreed to stress to TEO the need for an urgent decision on this.

- STG56 – Risk that appropriate Health and Wellbeing services are not in place for victims of HIA within an appropriate timeframe. It was noted that a decision is required by the end of the week to ensure the new office can be suitably equipped in time.
- STG57 – Risk that the needs of the bereaved are not being met within current schemes. Particularly relevant in relation to bereaved who were not registered with VSS in time to qualify for Self-directed Assistance - but have since come forward for support. MM advised that TEO are currently in discussions around how best to support the bereaved.

Members discussed a number of existing risks, specifically: STG43 regarding the gap between PEACE IV and PEACE PLUS funding, STG50 regarding Board appointments/reappointments now that ministers are back and STG52 regarding the VSS SMT structure and how the current pressures on resources will be addressed.

AW provided an update regarding funded organisations who have had funding suspended in relation to a suspected fraud.

## **E2 Progress against Budget**

TL provided an update to members regarding progress against budget. The following was noted:

- Corporate and VSP spend is currently on target against budget
- INP is 78% committed against Needs Based Awards and while spend is low against annual targets (in line with the trend of previous years). VSS is now seeing the impact of following up with clients about their unspent awards
- Capital spend is also on target although a small underspend may be seen in HR

Members also noted that addendums for additional funding have been issued to VSP organisations. With regards to PEACE IV funding, there is currently an underspend of ~£218k, owing to less activity within training than anticipated, vacant posts and significant underspend within funded organisations in the Travel & Subsistence budget. This underspend will be addressed in the new PEACE IV bid.

It was noted that both VSS and project partner CVS are now up to date with submissions to and payments from SEUPB. WAVE are not current receiving payments as they require approval for a budget reallocation and need to provide further information to SEUPB. VSS are working to support WAVE through this process.

### **E3 Strategic Risk Register**

The Committee noted this paper.

### **F Quarterly Reports**

#### **F1 Quarterly ALB Report**

The Committee noted this report.

#### **F2 Quarterly Assurance Statement**

AW provided an update on this report,

It was agreed that open audit recommendations should be moved to become a separate standing agenda item for future ARC meetings.

AP1 – Open audit recommendations to be included in future as a separate standing agenda item.

#### **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 a review of PEACE IV is scheduled for March 2020 with the scope to be formalised. A Financial Controls audit is scheduled for early February and a Follow-Up review will also take place in March 2020.

Members noted that the Annual Assurance report and 2020/21 Draft Audit Plan will be presented at the April ARC meeting.

#### **G2 Internal Audit Report – Review of GDPR**

LM presented this report which looked at the effectiveness and efficiency of the internal controls and processes surrounding the implementation and management of GDPR compliance.

The first part of the report formed a follow up of a previous advisory GDPR report which was issued in May 2018. The follow up found that of the 9 recommendations made in the 2018 report, 6 had been fully implemented and 3 partially implemented.

These findings recommend that VSS should take further actions to support compliance in relation to the sharing of electronic data, VIM access control and the finalisation of a data sharing agreement with a specific third party.

The second part of the review sought to assess the adequacy and effectiveness of the GDPR relevant IT controls.

The report resulted in four recommendations: two **priority two** recommendations and two **priority three** recommendations. The recommendations relate to the following areas: access to the VIM System, availability of policies and procedures, controls for data transmission and deletion of electronic data. 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 Draft RTTCWG – with Management Responses**

KD presented this report to members. It was noted that this report remains in draft as the responses haven't been cleared with NIAO. All recommendations have been accepted with some minor tweaks required to findings and management responses.

KD agreed to provide a copy of the updated report to members with tracked changes.

## **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. A higher than usual number of gifts are noted as a result of the Christmas celebrations. A small amount of alcohol was received which will be returned to the sender with a thank you and an explanation.

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

TL provided the Committee with an update on the seven suspected fraud cases open at the quarter end. The Committee noted that one case is awaiting a CCNI Final Report, CCNI have provided assurance that there will be nothing of concern for VSS in the findings and recommendations from the final report. Of the 6 active cases, all have been referred to TEO/GFIS, with two currently referred on to the PSNI / Gardai.

The Committee noted that four INP debtor balances remain open which are being actively sought / offset. VSS are confident that two of the debtor balances will be recovered by year end 2020/21. A further debtor balance is outstanding in respect of a funded organisation following a suspected fraud investigation and the termination of funding. VSS are actively seeking to recover this balance.

The committee noted that there no new whistleblowing allegations received during the period.

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

One Fol request remained open at the period end. A response is currently being prepared by management and it is expected that this will be issued within the required timeframe.

The Committee noted that one complaint regarding VSS was received in the quarter. The complaint was partially upheld and is now considered closed.

Calls in the quarter ended 31 December have decreased compared to the previous quarter. This slight drop in calls can be attributed to the Christmas and New Year holidays and previous call data from this period in previous years suggests this is the norm.

#### **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.

It was also noted that a GDPR review was conducted by EY in September, covered by the committee at **G2**.

**J Any Other Business**

With no further business the meeting was closed.

**K Date of Next Meeting**

The date of the next meeting is scheduled for 15 April 2020.