

Audit and Risk Committee Meeting Minutes

IPC ARC Meeting No. 11

Wednesday 28 August 2013, 3.00pm

1. Attendance

<u>Members:</u>	Ms Carolyn Walsh (Chair) (CW), Ms Lyn Baker (LB), Mr Garry Dinnie (GD)
<u>In attendance:</u>	Mr Clive Gough (O'Connor Marsden), Mr Gearoid Fitzgerald (Audit Office), Ms Kathrina Lo (KL), Ms Meredith Claremont (MC), Mr Gary Tong (GT), Ms Jane Fitzpatrick (item 7)
<u>Apologies:</u>	Ms Pamela Robertson-Gregg (O'Connor Marsden), Ms Anwen Rowe (AR)
<u>Minute Secretary:</u>	Ms Meredith Claremont (in Anwen's absence)

2. Declarations of interest

No additional declarations of interest were made, however written confirmation would be affirmed at the September meeting.

The meeting **noted** this advice.

3. Minutes of previous meeting and Rolling Action Report

Minutes of meeting 10 were **approved** and **adopted** by the Committee, and members **acknowledged** these minutes would be proactively released on the IPC's website.

Action 1: Publish minutes of 29 May 2013 on the IPC website.

The Committee **noted** the Rolling Action Report, and the fact that all matters were either complete or on the agenda.

4a. Update from Information Commissioner

KL updated the Committee on her priorities for her time as Acting Commissioner, and outlined activities completed to date.

The Committee **noted** the A/Information Commissioner's oral report.

4b. Update from the Chair – letter from Treasury

The Committee discussed the letter from Treasury regarding improving the quality of the 2012-13 State Accounts and its responsibilities of the ARC.

The Committee **noted** the letter from Treasury and will look to consider the key requirements during the September meeting.

Action item 2: Committee to consider requirements of letter during the meeting to approve the financial statements in September.

5. Review 2012-13

The Committee discussed the report on activity, compliance register and draft attestation letter.

The Committee approved the report on activity for 2012-13 with 2 additions, including the approved 2012-13 audit plan and the management review, leading to the IPC restructure.

The Committee **noted** and **endorsed** the revised Compliance register, suggesting that an additional column for a review date is added to the document.

The Committee reviewed and **recommended** that the A/IC signs the draft attestation letter.

Action item 3: The Compliance register be updated to include an additional column for a review date.

Action item 4: The A/IC sign the draft attestation letter.

6. ARC work 2013-14

The Committee noted the finalised Strategic Plan for 2013-2016 setting IPC's objective priorities and strategies for 3 years. The Committee noted the next stage will be to develop an operational Business Plan for 2013-14, and KPI's to achieve the Strategic Plan objectives.

The Committee discussed cascading the IPC KPI's down to achievement plans and the suggestion to follow the PSC model when available.

The Committee discussed the current Risk Register and its connection to business planning. The Chair has offered to assist IPC in a workshop discussion to link the Business Planning process with the IPC's Risk Register. The CAE has arranged an Executive team workshop to develop an updated risk register on 2 September.

Regarding the Internal Audit Plan for 2013-14, the outcomes need to be taken from the risk workshop and an out of session proposal should be tabled after the meeting on 18 September.

The suggested fraud and corruption audit may not be necessary for the IPC taking into account processes already in place and the level of risk to the organisation. A training session by ICAC for IPC may be helpful in place of the audit, to assist staff in how to identify fraud and corruption and how to report it if it occurs. This could also be raised as a reminder to staff regularly.

The Committee **noted** the Strategic Plan and Risk Register.

Action item 5: A paper is to be prepared for the Committee regarding IPC fraud and corruption processes.

Action item 6: An out of session proposal of the updated Risk Register is to be tabled after 18 September

7. Progress on implementation of Audits

The Committee discussed the Records Information Management status report. The Committee noted and raised the following matters:

Risk Ratings: Where a risk is important the timeframe for implementation is expected to be in the short term. The Committee indicated that a number of recommendations were rated important, where on reflection, the risk may be lower. Therefore, medium term timeframes are acceptable.

Manager's Comment: The status report should include the original management response, and an additional column with milestones achieved could be added. This will better reflect actions taken and achieved to date where the status is partially or substantially achieved.

Recommendations dependant on service provider: The CAE requested comment on suggested approach to progress recommendations where DAGJ is required to take action to complete them.

The Committee noted management was best placed to pursue these matters with DAGJ senior management.

Cluster Internal Audit: The CAE sought comment from the Committee on the best approach to raising internal audit items affecting IPC within the cluster. The Committee indicated an approach to the cluster Principal Department CAE requesting cluster bodies be able to provide input to the audit program and if possible, a cluster forum for agencies where similar issues might be established.

The Committee discussed the Case Management System (CMS) audit and noted that OCM has issued the draft management report. It is pending management comments.

There was discussion around the progress with the CMS, what feedback was being received and staff usage. The Feedback received to date has been positive and management reporting has started.

8. 2012/13 Financial Statements (unaudited)

The Committee discussed the unaudited financial statements and that clarification in the notes was necessary. The following comments were made:

- Explanation for note 5 (Receivables) should be included in note 11 to explain the difference between the actual and budget columns. The note needs to explain the reason for the change.
- Reference to note 11 needs to be inserted at Receipts – For Sale of Goods and Services and Cash Transfer to Consolidated Funds.
- A reference note is required for item 8 (Current Liabilities and Payments) to explain what the item is and why there is a difference between the 2013 and 2012 figures.

The Committee **noted** the unaudited financial statements.

Action item 7: The Financial Statements be updated.

9. Review of ARC calendar items – Quarter 1

The Committee discussed the Calendar items scheduled for review in the first quarter of the financial year, noting items 4.4, review of any current and pending litigation or regulatory and 4.8, review performance of internal audit. Regarding 4.8, the Committee suggested reviewing the contractual requirements at the future scheduled time.

The Committee **noted** the general update.

10. ARC self assessment

The Committee discussed the results of the annual self assessment.

The Committee also discussed the issue of re-appointments as the Committee's terms come to an end in May 2014. The Committee noted IPC management may wish to consider continuity as part of the process for appointment of re-appointment.

The Committee **agreed** it would be useful to receive the monthly dashboard report and to remain advised on key announcements across organisation.

Action item 8: Monthly dashboard report to be sent to Committee, along with other key announcements.

11. Legislative Compliance Register

The Committee discussed the updated register. No further suggestions or amendments were made.

The Committee **noted** the register.

Other business

Meeting schedule:

The Committee discussed the meeting scheduled for 18 September to review the financial statements. It was **noted** that the Audit Office, GD and LB would join the meeting by telephone.

The Committee **approved in principle** the proposed meeting dates for 2014, which are:

Wednesday 5 March 2014

Wednesday 4 June 2014

Wednesday 24 September 2014

Wednesday 3 December 2014

The meeting concluded at 4.45pm