**Minutes of the ARAC Meeting**

**Held on 4 May 2021 at 10.30am**

**By Zoom**

**Present:** P O’Doherty (Chair), R Beggs (RB), A Andrews (AAnd), J Wilkinson (JW), D Baxter (DB), T Salmon (TS)

**In attendance**: S Gallaher (CEO), G Devlin (SEO) (arrived later), M Matthews, (F&CM), L Dickson (PA), T McCavigan (TMcC) (IA), C Shaw (CS) (IA), G Fair (GF) (DE), A Boyd (AB) (DE) A Allen (AA) (NIAO), D Laverty (DL) (BTMM)

**Apologies**: G Cameron (GC) and S Parlour (SP)

**1. Election of Chair and Vice-Chair of ARAC**

The first item of business was to elect a Chair and Vice Chair and PO’D asked for proposals for the Chair.

DB proposed RB

No Seconder

AA proposed PO’D

Seconded JW

PO’D was declared elected. RB indicated that decisions cannot be overruled within 6 months as per Standing Orders. PO’D said he would go with the Committee decision. PO’D asked Committee for their votes.

2 votes for RB

4 votes for PO’D

PO’D elected Chair of ARAC

Proposals for Vice-Chair

PO’D proposed JW but he declined.

DB proposed RB

Seconded by RB

RB elected Vice-Chair of ARAC.

**2. Apologies**

Received from GC and SP.

**3. Declarations of Interest**

None. Members were reminded that they could declare at any stage in the meeting.

**4. Minutes of the last meeting**

The Chair took members through for accuracy. Amendment to DB joining time for Committee.

*The SEO joined the meeting.*

**5. Matters Arising**

RB asked why the minutes of the Council meeting of 26 March had not been received, saying this was a risk to the organization. The CEO indicated that there had been a problem with the content and these will be sent to the Chair of Council. RB indicated that the Council had agreed that the minutes be provided to the Chair of Council and not the CEO. RB highlighted the data breach and asked what measures are being taken on data protection. The Chair asked RB to note that the recommendation on the minutes has not been adopted by Council.

RB enquired if the CEO had sought legal advice on the Independent Member of ARAC. The CEO indicated this had not been done as there had been other priorities but noted it was good practice to change independent members and as stated previously the Committee should do a review of the skill sets it felt it needed. The Chair asked the CEO if, for the next meeting, he could seek legal advice to brief Committee. The CEO advised he had previously spoken to Legal Advisors and there was no time stipulation on independent members. RB highlighted the risk to the Committee and there were specific time limits in the Cabinet Office of 2 years. He indicated the PS had said the term of office should be no longer than 6 years. RB asked that it be highlighted that the Chair and Vice-Chair of Council had contacted DSO regarding a meeting on a number of matters, including this one and were told that the Registrar had instructed DSO not to engage with them without his permission and asked the CEO for an explanation. The CEO indicated that on the point of the independent member it was decided the Committee look at skill sets and determine its requirements and on the second point he had not been given detail on what the Chair and VC wanted the meeting with DSO for, so could not sanction expenditure. RB flagged this up as a risk to governance and if the Chair and VC wish to seek legal advice for example on a member of staff then that member of staff should not be able to block access. He asked the Committee to specifically clarify this issue. The Chair said that access to legal advice by Council would be explored in the GTCNI review. DB enquired if the information would be provided by the Registrar digitally. The Chair said it would depend on the nature of the advice and DB asked that Committee members be apprised of progress.

RB enquired about the need for workshops on Risk Assessment. The CEO advised that these would be held as soon as practically possible. RB said this could be done online and appealed to the CEO to have these sooner.

The CEO updated members on training which had been provided to members this year. The Chair asked that training needs be discussed at the HR Meeting. The CEO added that when appraisals are complete then staff development/training needs can be ascertained these had not been completed as yet.

RB asked about the repairs to the Registration System and the CEO was to provide costs. These have not been received yet. CEO to provide costs.

RB asked if a list of actions could be added at the end of the minutes. JW agreed and said status could be updated beside actions.

RB discussed the investigation covered in the Special Council Meeting and said he had not been asked to provide any statements. He asked for an update on the status of the investigation. The Chair added that this was not an item from the last minutes and GF advised that it was said at the last Committee that it was not appropriate to discuss at the Committee. RB indicated that this was the biggest risk to Council. PO’D advised that the majority of people did not want the investigation to go forward and that the PS had not agreed to the investigation going forward. The CEO advised that addressing the matter was in procurement and advice is currently being sought.

RB advised that the independent review of Council was a huge risk to the organization and asked if DE could advise on how the ToR was produced for the investigation. AB indicated the review was agreed by the Minister and is a DE review and that the ToR was discussed and reviewed at Ministerial level. RB indicated that there should be consultation with the body as per Cabinet Guidance. RB indicated the historical background of the ToR was misleading quoting “Meetings 2016 – 2018 were unproductive”. RB indicated that these were during the time of Barry Jordan and Anne Dickson and were very productive and said that problems occurred after 2018. He added that GTCNI were taken out of Special Measures in 2017 and this matter needs to be flagged up to Council. DB said this document gives the wrong impression and is a real risk. RB proposed that the Committee raise this to Council and was seconded by DB.

Proposed: RB

Seconded: DB

The Chair said he did not believe it was appropriate and disagreed with RB’s interpretation.

2 members were in favour of bringing this to Council

3 against

Motion was defeated.

RB requested that it be put on record that some people were not on Council at the time and the Chair advised that this Committee has decided there was no support for the Motion.

**6. Anti Fraud, Bribery and Whistleblowing** (AC/21/20/P01)

The F&CM advised there were no reported incidences since the last meeting.

**7. Direct Award Contracts** (AC/21/20/P02)

The F&CM advised there were no further DACs awarded since the last meeting and that presently the Council had only one which was with Millar Technology Ltd and which is due to expire on 31 March 2022. It is likely a further extension will be sought but not known if this will be granted by DE.

**8. Business Plan Q4 Out-turn Report** (AC/21/20/P03)

The CEO highlighted this paper and advised that 8 priorities had been achieved, 3 substantially achieved, 2 likely to be achieved but with delays and 5 not achieved.

RB said that at the last Council it had been agreed that summary pages should be provided. The CEO advised that the summary was at the end.

Members discussed issues not achieved and the CEO advised that the Business Case on new posts was progressing and hoped to provide this to the HR Committee at its next meeting. The SEO advised that GTCNI had fulfilled all responsibilities under Learning Leaders. GF queried at point 6.10 that effective governance has been substantially achieved and said this was contradictory to the report. The CEO advised this refers to elements around the MSFM, Business Plan and mid-Year Governance Statement. He said he took on board that there are overall issues. RB added he shared GF’s concerns. The CEO took members through the report highlighting what has been substantially achieved and what had not. RB questioned that as there were governance issues that we should not be putting in substantially achieved. The Chair clarified this. RB requested reassurance that the HR Committee is actually functioning as there is no evidence of issues being addressed. The CEO advised that issues are being addressed but this is slow. DB enquired if we could ask for information from other Committees. The Chair advised that all decisions lie with the Council and Committees are to advise. Previously concerns raised at other Committees have been brought to ARAC.

RB asked for the outline of delay at points 6.3 and 6.4 and potential costings. Members were happy to take this under the next agenda item.

RB highlighted 6.13 and indicated the unsatisfactory rating in the Audit Report and asked what work has been done. The CEO advised on the progress of the Project Initiation Document, indicating that it had been brought to F&GP but there was no time to discuss. The CEO is to follow up on email. The Chair urged that a paper would go to Council. RB added that the GTCNI can call Committee meetings but the CEO advised of problems with availability of members.

**9. Budget Allocation 2020-21** (AC/21/20/P04)

The F&CM took members through the paper advising of the assumptions underlying the draft budget. It was highlighted that notwithstanding the reduction in income in 2020-21 it was assumed that fee income generation was expected to be restored to pre Covid levels. She highlighted additional staff resourcing assumptions and increased depreciation charges. Members were also advised of the resource allocation letter from DE for 2021-22 approving the Council to access up to £78,000 of its reserves. Members discussed the low level of interest earnings and the F&CM provided details of where deposits are placed and interest received.

TS indicated that an enormous amount of work is needed to get GTCNI on a level footing and the resourcing needed to be identified and consideration given to making provision for this undertaking. The CEO indicated what the budget would be used for in 2021-22 , adding that more may need to be invested but at this point the objective is for Council to live within its income in 2021-22. TS indicated that he was doubtful that all work necessary could be completed in house. The Chair asked if some contingency should be built in and TS indicated that F&GP should be thinking what could come out of the review and ways to address these and a caveat may need to be added.

DB asked about the 1% training costs and the F&CM advised that 1 – 2% of salary costs is a reasonable target to set aside for training.

RB questioned if the DE Review was included in the budget and the F&CM advised there were no costs to GTCNI, but no consideration was given to the outcome. RB agreed with TS on provision and raising this risk with Council. TS indicated there should be evidence that this was being considered. JW agreed and indicated that there is a need to make statement clear to DE that we are aware of consequences. The Chair recommended raising with Council and there may be a need for an additional sum and contingency planning.

The Committee agreed.

*The SEO left the meeting at 12.00*

**10. Capital Projects Update**  (AC/21/20/P05)

The CEO advised the business case for the new registration IT system has been formally submitted to DE and that a Project Manager should be starting soon. He advised that focus would now turn to preparing ITT documents and the timescale remains tight. It is expected that business case approval should be received within the next month and the aim is for tendering to commence in September. The CEO stated that it is unlikely the system will be installed by March 2022 and that GTCNI is looking at contingency arrangements.

RB asked GF if the timescale is realistic and asked the CEO if it is likely if the contract has to be renewed is this is included in the budget. GF advised there were challenges around timescales, work will continue on the Business Case and there is a need to keep in mind risks on DACs.

The CEO indicated the current contract is to March 2022 and CPD has indicated that a reasonable extension may be permissible.

RB enquired about accommodation costs. The CEO advised that prior to Covid other options were explored. Staff have been working remotely and officers are exploring what place remote working may have going forward as there is an appetite within staff for remote working. The outcome of this consideration may be that GTCNI can reduce its accommodation in Albany House or relocate to smaller premises.

**11. Draft audited Annual Report & Accounts 2019-20** (AC/21/20/P06)

The F&CM advised members that the accounts presented in t May 2020 had not been completely finalized because of Covid but there were no material changes in the financial statements before the Committee today. She referred members to pages 15-27 containing the Governance statement and explained that the CEO had updated this and will continue to do so to the point at which the Accounts are sent forward to be laid to the Assembly. She highlighted a change to the note on Assets and in particular to the inclusion of a new note and disclosure on intangibles.

**12. NIAO External Audit – RTTCW 2019-20** (AC/21/20/P07)

AA set out the findings on the audit of the 2020-21 Accounts highlighting key matters. He advised the accounts would be certified with an unqualified audit opinion Subject to one outstanding query on an additional data breach. He indicated that Annex 3 provided their audit findings and recommendations and said that the Accounts could be taken to Council. RB discussed staffing numbers and asked for clarification. The F&CM provided clarification.

*D Laverty had to leave the meeting for a time at 12.30*

RB asked about the recommendations and asked about the key factors that resulted from the previous Council that GTCNI were placed in Special Measures and AA advised that they had not gone into history. Members discussed the date the Council was actually put into Special Measures. AA advised that amendments could be made to dates as this document was a draft. The CEO clarified dates for members.

The Chair asked for clarification on the Report and enquired about data related incidents and said he was unclear which if any of the data is the ‘Sweet William’ incident. The CEO said he was unsure. The Sweet William incident relates to female members being sent documents to their home addresses. The Chair was concerned that this should be picked up in the report at some stage. The CEO advised that the report is in draft and if the Chair feels added work is needed he was happy to have a conversation and amend accordingly.

The Chair spoke of the absence of an Accounting Officer for a period of time and advised that this risk needed to be acknowledged in the 2019-20 report. The CEO agreed to revisit the Governance Statement and bring items across. The Chair asked members if they were content and RB added that it should be highlighted that it was not there but did not think we could tell someone to do it. The Chair advised that the CEO was content to include this in the report and added that the report for last year was agreed without a foreword. He suggested a similar mechanism for this one and asked if members were content. They agreed. The Chair thanked AA.

RB enquired if reporting would influence the ongoing investigation and the Chair advised that it was just reporting that something had occurred.

Proposed: TS

Seconded: AAnd

3 for

1 against

Carried. Members accepted the NIAO Report.

*Break from 12.54 – 13.05*

*D Laverty returned to meeting*

**13. Accounts Direction 2019-20** (AC/21/20/P08)

The F&CM spoke to the paper which sets out the deadlines for the preparation and submission of year end reports and the draft Annual Report & Accounts She highlighted the absence of the IAS19 report on pensions and the effect on this on the overall Accounts for 2021-22 and advised that the draft Accounts would be submitted per the Accounts direction but with a caveat. It was noted that other organisations are having the same problems with pension information. A further draft of the Accounts will be brought to the ARAC when the IAS19 Report is received and the Accounts updated accordingly. The Chair and TS thanked the F&CM for her work.

**14. 2020-21 Annual Report of the Chair of the ARAC**  (AC/21/20/P09)

The Chair spoke to the draft provided and asked for comments. GF said the report may need to focus on the ARAC role and opinions and to be more specific on some items. RB asked if reporting should not be to Council. The Chair advised it was the same as the previous statement and feedback is provided on the risk register. The Chair said he was happy to amend. RB said that at point 1.15 to add that DE have not shared the report with GTCNI and at 1.6 it is important to state starting date for Special Measures. Members discussed and the Chair said he was happy to remove the word ‘current’.

Proposed: TS

Seconded: JW

No one opposed – paper accepted.

**15. 2020-21 Draft Governance Statement** (**AC/21/20/P10)**

The CEO advised that V3 had been provided and was subject to change. The Chair indicated that items on HR could be taken under this item. RB questioned if the HR Committee was functioning and asked for progress. The CEO advised that the Committee was dealing with follow up to the NIPSA staff survey, a grievance and other HR issues but progress was slower than expected. RB was concerned that grievances had not been addressed and said there was a duty of care to staff. TS indicated if the Committee had concerns it was a matter for Council and RB agreed. TS indicated the Chair could speak to the Chair of Council. JW agreed. Members were content

**16. Finance Report on 2020-21**  (AC/21/20/P11)

The F&CM indicated this report was for information in the absence of the draft Annual Report & Accounts 2021-22 and took members through the paper, highlighting a £46k shortfall on income in 2020-21largely related to the effect of Covid 19. She highlighted substantial savings to the pay line and other operating costs. Members were also taken through other elements of the paper including information on business cases, cash balances and reserves

TS said he was glad to see extra money in reserves. Members discussed costs of Albany House and moving location. TS indicated moving to different location would exacerbate the current situation and working from home would also affect the outcome for accommodation. The Chair agreed.

**17. Internal Audit Reviews:**  (AC/21/20/P12a-c)

a) Internal Audit Progress Report on outstanding recommendations

TMcC gave an overview of progress in addressing previous recommendations. She acknowledged the work of staff and advised that 4 recommendations had been fully implemented, 13 partly, 4 not implemented and one could not be tested. She indicated that concerns had been reported in 2018-19 and 2019-20 and these still remain. TS advised this was disappointing and should be brought to Council. RB agreed and said recommendations should be made to Council as this reflects on governance.

*D Baxter left at 13.55*

b) Business Continuity Plans

TMcC advised this had an unacceptable rating. She noted that a Business Continuity Plan and a Disaster Recovery Plan had been drafted and some procedures had been tested. She raised 4 key priority 1 recommendations in the report. RB noted the high risk. The Chair discussed issues with testing which would limit ability to address problems. TMcC indicated there were no policies or procedures in place regarding testing. The F&CM advised that a BCP and Disaster Recovery Plan were drafted in April 2020 and that staff have done an amazing job at transitioning rapidly to working from home and ensuring full registration services delivery. She noted there were 11 staff some of whom were temporary. She highlighted two recent problems when the IT system was offline which afforded the opportunity to successfully test the Plans. The F&CM also advised that the policy was brought to F&GP but they did not get to it due to the long agenda on the day. People were asked to respond but no replies were received. The CEO advised testing would be looked at.

c) Information Management and Governance

TMcC advised this audit opinion was to remain ‘unacceptable’. RB enquired about the data breach and the Chair advised matters were still confidential. Members discussed that the office was still closed to staff and who was allowed access. TMcC indicated that they have evidence was provided of who was in the building. JW said this was not pertinent to the agenda.

d) Project Management Update

TMcC advised she had received information, that work was complete and that audit will have an exit meeting towards the end of the week.

19. Annual Internal Audit Assurance Report (AC/21/20/P13)

TMcC advised that 2.2 had been given an unacceptable opinion and listed the key factors, adding that the DE review would look at governance arrangements. JW enquired if IA were content that problems were being addressed and progress being made and TMcC said that they highlighted the risks and at the moment things are audited as at present. The CEO advised progress had been made but it is limited with some matters still needing addressed by Council. RB highlighted that regulation is out of the Councils hands as there was no legislation.

**20. Draft Internal Audit Strategy and Audit Plan 2020-21** (AC/21/20/P14)

TMcC took members through advising that issues from 2019-20 have remained and it was necessary to move to year 2 of the Strategy. She advised that it is vital that issues leading to the opinions are reviewed again. There will be a charge for the Committee to look into and also extra days had been worked on the data breach and the Council may be charged. Options were discussed. The F&CM advised that the current annual charge was £6,000. TS said there was a strong recommendation to adopt Option 2 to allow extra audit days. JW seconded this. The Chair took on a recommendation that this be approved, but said he was concerned about committees incurring expenditure and said it was best to take through F&GP and Council but did not anticipate problems. TMcC advised if this was approved they would work with management.

**21. Corporate Risk Register**  (AC/21/20/P15)

The CEO said he was looking to streamline the register. He believed 10 risks carried forward reflect the major risks facing the organization at this time. The Register will be circulated when it has been updated. GF questioned Risk 6 Financial Sustainability and asked if it should be lowered as Council has lived within its budget. The CEO said it highlighted the strategic underlying position of the Council and challenge given that reserves will be run down or restricted. TS said work has to be done to bring risks down. RB asked if there had been any movement on risk scoring and the CEO said there had not.

**22. AOB**

RB indicated that on Item 1 on the agenda - in the Corporate Risk Framework and Standing Orders the ARAC Committee was acting outside point 21, presenting a risk to the organization.

TS asked for an actions list and the CEO said he would do a list of actions.

23. Date of Next Meeting

TBA

**SUMMARY OF ACTIONS**

Item 5 CEO to seek legal advice on independent member to brief Committee.

Item 5 CEO to supply information to Committee after consultation with DSO.

Item 5 Training needs to be discussed at HR meeting

Item 5 CEO to provide costs on repairs to registration system

Item 8 On Project Initiation Document, Chair to emphasise at Council

Item 9 Provison for addressing outcome of review GTCNI should be flagged to Council

Item 12 Chair and CEO to have conversation re adding items eg data incidents to the report

Item 12 CEO to revisit Governance statement.

Item 14 Chair to amend ARAC report to Council

Item 15 Chair of ARAC to speak to Chair re HR Committee

Item 17a Recommendations to be made to Council

Item 21 Corporate Risk Register to be circulated when amended