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**Audit and Risk Assurance Committee**  
**Confirmed Minutes**  
**10:30a.m on Wednesday 12<sup>th</sup> February 2025**  
**Via MS Teams**

**Present**

Gerry Guckian, Audit and Risk Assurance Committee Chair, Northern Ireland Social Care Council  
Jacqui McGarvey, Northern Ireland Social Care Council, Board Member  
Lesley Mitchell, Audit and Risk Assurance Committee Member

**In Attendance**

Declan McAllister, Interim Chief Executive  
Sandra Stranaghan, Interim Head of Corporate Services  
Catherine Maguire, Interim Co-Director of Regulations and Standards  
Maureen Martin, Secretariat  
Catherine McKeown, BSO Internal Audit  
Kate McStravick, BSO Finance  
Naimat Ajibola, BSO Finance  
Zyrus Bati, Deloitte  
Kathy Doey, NIAO

**Observer**

Pauline Coulter, Department of Health

**Apologies**

Helen McVicker, Interim Co-Director of Regulation & Standards

Item	Agenda
<b>Formalities</b>	
<b>1.</b>	<b>Welcome and Apologies</b>
1.1	The Chair welcomed members to the meeting.
<b>2.</b>	<b>Conflicts of Interest</b>

2.1	No conflicts of interest were declared.
<b>3.</b>	<b>Chairs Business</b>
3.1	<u><i>Executive and Non-Executive Recruitment update</i></u>
3.1.1	<p>The Chair updated members on the status of the Executive and Non-Executive recruitment exercises:</p> <p><i>Executive recruitment</i></p> <p>The Chair advised that the Chief Executive recruitment process is underway with an indicative time line of interviews in April and appointment thereafter.</p> <p>As part of a range of interim measures in place to manage the current vacancies, Declan McAllister has been appointed as interim Chief Executive and Helen McVicker and Catherine Maguire appointed as interim Co-Directors of Regulation &amp; Standards.</p> <p>Following a stringent recruitment process, Sandra Stranaghan has been appointed to backfill the interim position of Director of Registration &amp; Corporate Services and will be serving the Audit &amp; Risk Assurance Committee going forward.</p> <p>The Chair noted that he was unable to confirm timescales for the interim positions and thanked appointees for their agreement to remain in post for as long as required, particularly when managing a dual role. Recruitment exercises will be undertaken to back fill the substantive posts following the appointment of the permanent Chief Executive.</p> <p>The Chair highlighted that whilst substantive appointments are generally preferred, the interim positions have been put in place to ensure the continuation of a strong senior leadership team to support the organisation during a time of change.</p>
3.1.2	<p><i>Non-Executive Recruitment</i></p> <p>The Chair confirmed that regular contact has been maintained with the Board Chair during the period of long term sickness absence and the Acting Board Chair will remain in place for as long as is required. The Public Appointments Unit completed a Non-Executive Directors recruitment exercise on 10<sup>th</sup> February and three appointments will be made to the Social Care Council Board subject to Ministerial approval.</p>

	<p>A new Chair will be appointed to the Audit &amp; Risk Assurance Committee in order to maintain probity as the current Committee Chair is also in place as Acting Board Chair.</p> <p>The Chair noted the importance of existing Board members in offering support and mentorship to newly appointed Non-Executive Directors through the planned induction process and thereafter.</p>
<b>3.2</b>	<b><u>Annual Accounts 2023/24 update</u></b>
3.2.1	<p>The Chair advised that the Annual Accounts 2023/24 remain unsigned due to a long running issue around the classification of the occupancy of James House.</p> <p>The Northern Ireland Audit Office (NIAO) has made a final ruling which designates the occupancy as a lease instead of a licence as it falls within the scope of IFRS 16.</p> <p>A more detailed update will be provided at agenda item 6 by the NIAO officer.</p>
<b>3.3</b>	<b><u>Appointment of Interim Permanent Secretary, Department of Health</u></b>
3.3.1	The Chair advised members that Mike Farrar, previous Chief Executive of the NHS Confederation, has been appointed as interim Permanent Secretary at the Department of Health.
<b>4.</b>	<b>Minutes of the previous meeting of 2<sup>nd</sup> October 2024 – Paper A for approval</b>
4.1	Members approved the minutes of the previous meeting of 2 <sup>nd</sup> October 2024 as a true and accurate record.
<b>5.</b>	<b>Matters Arising</b>
5.1	No matters arising.
<b>6.0</b>	<b>Northern Ireland Audit Office (NIAO)</b>
<b>6.1</b>	<b>Update on 2023/24 Accounts and Management Letter</b>
6.1.1	<p>Northern Ireland Audit Officer, Kathy Doey, informed members that following a detailed investigation, a ruling has been made that the occupancy of James House falls within the scope of IFRS 16 standards and has been therefore been designated as a lease instead of a licence.</p> <p>It was agreed that an extraordinary ARAC meeting would be convened in March in order to consider and approve the adjusted accounts and to progress the accounts audit certification as a matter of urgency. Zyrus Bati confirmed that a copy of the adjusted final accounts will be shared</p>

in advance of the March ARAC meeting and notification will be sent to the Head of Corporate Services when the documentation is available.

It was noted that some of the other Health and Social Care Sector occupants within James House have already had their accounts certified and these may need amended in light of the NIAO ruling.

The interim Chief Executive highlighted that the Director of Finance, Department of Health, had been kept fully informed around the ongoing issue and has provided assurance that there will be no change in the revenue position for the organisation for 2025/26.

The Chair reflected that the process has provided a learning opportunity to analyse how the issue arose, identify any gaps in legal and finance services and prevention of similar issues in the future.

## Internal Audit

### 7.1 Internal Audit Progress Report – Paper C for note

7.1.1 Internal Auditor, Catherine McKeown, presented the Internal Audit Progress Report with the following key highlights:

- An annual Financial Review has been completed and an overall satisfactory assurance level awarded. Management have accepted a number of Priority 2 and Priority 3 recommendations around the following key findings:
  - Compliance with Procurement Requirements
  - Contract Management
  - Management of Fraud
- The Registration audit has commenced this week and the Social Care Fitness to Practise is planned for completion in March 2025.

The Interim Head of Corporate Services gave the following update in relation to the key findings and confirmed that action has been taken to progress the internal audit recommendations:

#### Compliance with Procurement Requirements

A pilot commenced on 9 October for a 3-month period with Hub NI call handling service between 9 - 5 pm. A requisition was raised for £3k per month however the first invoice received (in mid-November) was in excess of the £10k procurement threshold. The service hours were immediately reduced to keep within the threshold and engagement was

	<p>undertaken with a Senior Procurement Officer in Procurement and Logistics Service (PaLS) to explore how the service could be extended. As per PaLS guidance, a retrospective Direct Award Contract (DAC) will be raised for an extended 3-month period and the original 3-month period with an estimated value of £55k. The extended period will enable meaningful data gathering and evaluation of the impact of the service for service users and registrants.</p> <p><i>Supplier procurement</i></p> <p>The recommendation relates to three suppliers which were paid through FPM (Non-Purchase order route) instead of through the regional eProcurement system (Purchase Order route). The error arose as the catering and event final costs changed due to a fluctuation in attendance figures over the planning period and the payment therefore had to be made through the FPM system. This has been addressed with the relevant teams and it was agreed that event procurement will be taken over by the Governance Officer going forward.</p> <p><i>Contract and Direct Award Contract register</i></p> <p>In response to audit recommendations, work has commenced on the Contract and DAC registers to enhance the detail around spend, contract information and add the DAC RAG rating assigned by PaLS. The Contract register will be included in the Procurement report for oversight at future ARAC meetings. In response to a query, it was noted that all senior staff and Heads of Function have a clear line of sight around DAC thresholds and a new, more stringent internal process is in place in advance of the introduction of the new Procurement Act from 24 February 2025.</p> <p>The Chair thanked all officials involved in the delivery of the Financial audit and commended Internal Audit for presenting an easy read and comprehensive audit report.</p> <p><b>Members noted the Audit Progress Report.</b></p>
7.2	<b>Internal Audit Definitions and Terminology briefing paper – Paper D for information</b>
7.2.1	<p>Internal Auditor, Catherine McKeown, presented the Internal Audit Definitions and Terminology briefing paper for information. The purpose of the briefing paper is to outline the standard definitions and terminology used by BSO Internal Audit to shape audit reports.</p> <p>The Chair recommended that the briefing paper is used to inform the induction of newly appointed Board and ARAC members around</p>

	<p>internal audit. It was agreed that the briefing paper would be brought back to ARAC after March for an in depth review with new Committee members.</p> <p><b>Action: Secretariat to add the Internal Audit Definitions and Terminology briefing paper to an ARAC agenda after March 2025 for review with new members</b></p>
<p><b>7.3</b></p>	<p><b>Strategic Audit Planning Approach and updated Proposed Internal Audit Plan 2025/26 – Paper E for information</b></p>
<p>7.3.1</p>	<p>Internal Auditor, Catherine McKeown, presented the Strategic Audit Planning Approach and updated 3-year internal audit plan for approval. The Audit Plan has been reviewed and refreshed in line with the organisation’s risks and assurance needs, in collaboration with the interim Chief Executive and the interim Head of Corporate Services to ensure it is appropriate for 2025/26. Catherine McKeown also met with the ARAC Chair to review the Audit Plan.</p> <p>It was highlighted that the preparation of the Audit Plan reflects the updated strategic approach taken by Internal Audit in line with Global Internal Standards (GIAS) which come into effect from 1<sup>st</sup> April 2025. It is intended that Internal Audit will arrange a combined information session on the new standards for Chief Executives and senior management and a date canvas will follow in due course.</p> <p>There is a particular focus on ensuring high risk areas are considered for inclusion and appropriately included in the Internal Audit plan (as per GIAS)</p> <p>Five high risk areas were identified and included in 2024/25 and 2025/26 Audit Plans.</p> <p>The Internal Auditor confirmed the following:</p> <ul style="list-style-type: none"> <li>• The Service Level Agreement with BSO includes provision of 45 internal audit days each year.</li> <li>• BSO Internal Audit Unit has sufficient resources in place to deliver the audit plan.</li> <li>• Audit areas for the coming year are: <ul style="list-style-type: none"> <li>✓ Financial review</li> <li>✓ Workforce Development</li> <li>✓ IT including FtP Case Management and SOCRATES</li> <li>✓ Management of Personal Data</li> </ul> </li> </ul>

	<p><b>Action: Internal Auditor to confirm the deferment of the following three audit areas to 2026/27 as stated in the Audit Plan; General Ledger (including interfaces with Socrates); Travel Expenses and Legal Payments.</b></p> <p><b>Members approved the Strategic Audit Planning Approach and updated Proposed Internal Audit Plan 2025/26</b></p>
<p><b>Governance Matters</b></p>	
<p><b>8.</b></p>	<p><b>Risk Progress Report at January 2025 – Paper F</b></p>
<p>8.1.1</p>	<p>The interim Head of Corporate Services presented the Risk Progress Report at January 2025 with the following key highlights:</p> <ul style="list-style-type: none"> <li>• The last progress report was brought to the October ARAC meeting;</li> <li>• The minutes of the Risk Management Committee of 21<sup>st</sup> January are attached at Appendix 5 for information;</li> <li>• The Risk Assurance Framework contains 10 strategic risks as outlined in Appendix 1: <ul style="list-style-type: none"> <li>✓ 2 risks are assessed as High</li> <li>✓ 7 risks are assessed as Medium</li> <li>✓ 1 risk is assessed as Low</li> <li>✓ There are currently no Extreme strategic risks</li> </ul> </li> </ul> <p><u>High level risks</u></p> <p><b>1. Regulatory Fitness to Practise Function Resourcing [Ref.REG01].</b></p> <p>It was highlighted that the Fitness to Practise (FtP) function has seen a 10% increase in business. The recruitment to FtP posts has proven to be challenging and although a FtP Officer joined the team through an agency appointment in January, this timed with the resignation of a substantive FtP Officer. A recruitment to process is underway to backfill this position.</p> <p>The FtP Case Management system which went live last year will support the FtP team in more effective case management procedures.</p> <p>The FtP function remains a high risk given the nature of the work and the increasing workloads and pressures on the function have</p>

	<p>been escalated with the Department of Health and will continue to be closely monitored.</p> <p><b>2. Sustainable Resourcing for the Council to Support Adult Social Care Reform [Ref. WFD01]</b></p> <p>Funding to underpin this area of work continues on a non-recurrent basis and the organisation continues to engage with the Department of Health and other stakeholders around sustainable recurrent resources to carry out system leadership duties in supporting the social care workforce.</p>
8.1.2	<p>The interim Head of Corporate Services brought attention to the following medium level risks:</p> <p><b>1. Changes at Board and Senior Level [Ref COR13]</b></p> <p>The risk register has been updated to reflect the changing position in relation to the Non - Executive Director recruitment and the interim arrangements within the organisation.</p> <p>Although progress is being made to recruit a permanent Chief Executive it is now not expected that an appointment will be in place until April 2025 at the earliest. The other Senior Leadership Team (SLT) interim arrangements cannot be progressed until a permanent Chief Executive has been appointed</p> <p><b>2. Management of Financial Resources (Ref: COR01)</b></p> <p>Financial resources remain a medium level risk and work is underway towards achieving break even by year end. The risk will continue to be kept under review in relation to managing the current budget year. Planning for the 25/26 financial year has commenced and a flat cash budget allocation is expected.</p>
8.1.3	<p>The interim Head of Corporate Services noted the following low level risk:</p> <p><b>Climate Change (Ref. COR25)</b></p> <p>The organisation is on target to develop an action plan and Climate Change Strategy by the end of March 2025.</p>
8.1.4	<p><u>Operational Risks</u></p>

	<p>ARAC members were invited to review and approve the following additional operational risk which was added at the last Risk Management Committee.</p> <p><b>Sustainable funding for Research and Evidence ((RAE01)</b></p> <p>The new operational risk is around resourcing for the research and evidence work which became part of the Social Care Council portfolio in the previous business year. It is now evident that the impact and value of this work will require additional sustainable funding to support the Research and Evidence Partnership and the programme of work going forward.</p>
8.1.5	<p><u>Horizon scanning</u></p> <p>The interim Head of Corporate Services advised that several tracked changes had been highlighted in the Horizon Scanning document at Appendix 3. These include expanding out how the reform of social care is referenced and a minor amendment to highlight the need for sustainable funding in order for the organisation to impact the Social Care Strategy.</p>
8.1.6	<p>The Chair reiterated that senior management appointments are contingent on the appointment of a permanent Chief Executive and confirmed that a timetable for the new Chief Executive recruitment competition is due to be agreed next week.</p> <p>In response to a query around potential reputational damage due to the interim arrangements in place, the Chair advised that there is a high level of visibility at events and external and internal committees to provide assurance that the Chair and interim Chief Executive role are being fully discharged and the organisation is delivering business as usual.</p> <p>The Chair reminded members that 3 additional Non-Executive Directors will be joining the Board this year and a further 4/5 Board members will be appointed next year, in response to concerns raised with the Department of Health around the pressures on existing Board members.</p> <p>Members were invited to submit any comments on the risk progress report, the risks identified and the changes made to the horizon scanning document to the interim Head of Corporate Services.</p> <p><b>Members approved the Risk Progress Report at January 2025.</b></p>

8.2	<b>Procurement Assurance Report January – March 2024 – Paper G for information</b>
8.2.1	<p>The interim Head of Corporate Services presented the Procurement Assurance report for information and noted the following key highlights.</p> <ul style="list-style-type: none"> <li>• The report covers the period January to March 2024 and it was agreed that more timely reports which are better aligned to the reporting mechanism in place with PaLS will be of more relevance to ARAC members.</li> <li>• New Procurement Regulations 2024 are due to come into force on 24th February 2025 and training has been undertaken with Pals to ensure compliance.</li> <li>• The tables on page 2 of the report reflect the significant spend increase at year end 2023/24 which is due to funding for social care reform and Departmental allocations which were released in the last quarter including any slippage monies identified by the Department.</li> <li>• As noted in a recent internal audit report, a number of changes around administrative matters in contract management handling have been implemented. This includes sharing the contract register as part of the Procurement Assurance report going forward.</li> <li>• The Social Care Council continues to operate within the 5 days Key Performance Indicators (KPIs) target for processing times which was 4.32 days for the year.</li> <li>• There were 7 Direct Award Contracts (DACs) during the year and these were all rated 'Green' by PaLS as being compliant with procurement regulations and arrangements.</li> <li>• Progress has been made with an ongoing tender to secure a provider for practice learning in the voluntary sector (VOCALS) and a contract is expected to be awarded this month for a strategic voluntary sector professional in Professional in Practice (PIP).</li> <li>• An outline business case was commenced during the year to secure capital funding for a new registration and CPD system</li> </ul>

	<p>and this is making good progress through Digital Health and Care NI (DHCNI).</p> <p><b>Members noted the Procurement Assurance report.</b></p>
<b>8.3</b>	<b>Complaints and Feedback Annual Report 2023/24 – Paper H for information</b>
8.3.1	<p>The interim Head of Corporate Services presented the Complaints Report for approval and highlighted the following key points:</p> <ul style="list-style-type: none"> <li>• This is the Social Care Council’s first annual Complaints and Feedback report. A Complaints and Feedback report for the 2024/25 period will be produced and brought to the ARAC meeting scheduled on 7<sup>th</sup> May and a high level summary will be provided in the Annual Report.</li> <li>• In response to an internal audit recommendation, a number of changes in the management of complaints has been implemented which include complaint handling training for all staff and an improved way to capture informal as well as formal complaints and feedback.</li> <li>• 10 complaints were received during 2023/24 period which is a significant increase on the previous years. Of these 8 were resolved and 2 were not upheld following escalation to the next stage for review. There were no complaints received from the Northern Ireland Public Services Ombudsman (NIPSO).</li> <li>• The majority of complaints were received from social care workers and were in relation to either systems and services in registration or more complex fitness to practise matters.</li> <li>• All complaints were compliant with the Complaints Policy and acknowledged within 2 days and responded to within 20 working days.</li> <li>• Learning from feedback was consolidated including reviewing the way emails are managed and triaged and a pilot to test a call handling service.</li> <li>• Going forward, year on year data and learning will be expanded and built into the Complaints and Feedback report.</li> <li>• The Complaints policy and procedures will be reviewed to consolidate learning and continue to make improvements.</li> </ul>

	<p>NIPSO are planning on introducing new complaints standards for health and social care.</p> <p>The interim Head of Corporate Services invited members' feedback on the report including any changes or additional data that could be built into the 24/25 report.</p> <p>The Chair noted that the increase in complaints offered an opportunity to monitor trends and implement improvements and learning which may positively impact the organisation's reputation.</p> <p><b>Members approved the Complaints and Feedback Annual Report 2023/24.</b></p>
<b>Closing Formalities</b>	
<b>9.</b>	<b>Any Other Business</b>
9.1	No other business.
<b>10.</b>	<b>Date of Next Meeting</b>
10.1	A date canvas will be circulated to members for availability for an extraordinary ARAC meeting in March to approve final accounts for 2023/24.
10.2	<p>Scheduled ARAC meetings:</p> <ul style="list-style-type: none"> <li>• Wednesday 7<sup>th</sup> May 2025</li> <li>• Wednesday 18<sup>th</sup> June 2025</li> </ul>

Approved by: Gerry Guckian, Chair, Audit and Risk Assurance Committee

Signature:   
Date: 7<sup>th</sup> May 2025