

OFFICIAL DAERA MINUTES

MEETING TITLE	DAERA AUDIT AND RISK ASSURANCE COMMITTEE MEETING
DIVISION/BRANCH REFERENCE	Corporate Governance Directorate: Governance Branch
VENUE	Conference Room, Clare House
DATE/TIME	Wednesday 15 April 2026 @ 9.00am

LIST OF ATTENDEES	<p>ARAC MEMBERS</p> <p>Shane Lynch (SL) Non-Executive Board Member (Chair) Mike Johnston (MJ) Non-Executive Board Member Scott King (SK) Non-Executive Board Member Robbie Davis (RB) Independent Member Michelle Scott (MS) Independent Member</p> <p>OTHERS IN ATTENDANCE</p> <p>Katrina Godfrey (KG) DAERA Permanent Secretary Mark O'Donnell (MD) Head of Corporate Services Alison Caldwell (AC) Director of Corporate Services Roger Downey (RD) Finance Director Dermot Millar (DM) Head of DAERA Internal Audit (IA) Gary Currie (GC) Audit Manager NIAO Sophie Curran (SC) Auditor NIAO Hugh Quinn (HQ) Strategic Planning Branch (SPB) Carl Moyne (CM) Strategic Planning Branch (SPB) Amanda McFarland (AF) Secretariat (Governance Branch)</p>
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Introduction

Agenda Item 1 – The chair welcomed everyone to ARAC and introduced Scott King as a new member of the committee. Members then participated in a round of introductions.

Agenda Item 2 – No apologies were noted.

Agenda Item 3 – No conflicts of interest were noted.

Agenda Item 4 – Minutes of previous ARAC meeting.

The previous minutes of the meeting on 4 February 2026 were agreed.

Agenda Item 5 – Action Points from previous ARAC meetings.

AF updated members on the action points from the February meeting.

ARAC was advised that all but one had been completed. Those completed included provision of an update on completion of board effectiveness reviews by DAERA's agencies and ALBs; an update from REB on test drilling of PPEs of business cases above delegated limits; in relation to agreeing the agenda for the ARAC chairs meeting which had taken place. ARAC was also advised that work was ongoing to improve the reporting format for implementation of NIAO report actions.

Agenda Item 6 – Public Expenditure Position

Roger Downey provided a verbal update on the public expenditure position, noting that there had been no material change since the previous ARAC meeting.

Roger advised that the Minister of Finance's consultation had closed on 3 March 2026, however there was still no agreed budget. He noted that the Minister of Finance had been meeting with other Ministers. It was noted that Minister Muir had agreed an indicative budget for DAERA, which had been circulated to heads of groups and agency chief executives. It was further noted that the Minister was still considering capital expenditure for the period 2027–28 to 2029–30.

Roger noted that, while there were no issues affecting the current financial year, a number of uncertainties remained not least because of the absence of agreement on a multi-year budget. He advised that the earmarked Windsor Framework budget had been agreed by HMT and noted the challenges associated with funding for TB compensation. He also highlighted the need for caution around resourcing, as any reduction in budgets would require the Department to be able to respond accordingly.

ARAC noted the update provided.

Agenda Item 7 – Minor Accounts

RD presented a paper updating members on the status of the audits of the minor accounts for the Horse Racing Fund and Vaughans Charity. Members were advised that both audits had been certified with an unqualified opinion and that no audit recommendations had been raised.

GC thanked Roger and his team for submitting the audits to NIAO in a timely manner.

ARAC noted the update and confirmed that it was content with the position.

Agenda Item 8 - IA Progress Report April 26 / IA Recommendations Update Paper / IA Plan 2026-27

DM updated members on the Internal Audit Progress Report position as at 26 April 2026. He advised that the 2025–26 audit plan was nearing completion, although it was approximately two weeks behind schedule due to the length and complexity of some reviews. Fourteen final reports had been issued to date: twelve with satisfactory opinions and two with limited opinions. The two limited opinions related to the review of the Small Business Research Initiative (SBRI): Sustainable Utilisation of Livestock Slurry (SULS), and the follow-up review of the Veterinary Service Animal Health Group (VSAHG) Welfare Enforcement Branch.

DM advised that both reports had been issued since the previous meeting. In relation to the Welfare Enforcement Branch follow-up, he advised that the Chief Veterinary Officer (CVO) was seeking to implement outstanding recommendations as a matter of urgency.

DM further advised that a consulting assignment on ABS Geotagging had been undertaken during the year. Since the previous meeting, it was noted that:- final reports had been issued for Government Procurement Cards (satisfactory) and the Health and Safety P1 follow-up; the Forest Service Annual Review had received a satisfactory opinion; two draft reports with satisfactory opinions had been issued (the DSD Future Implementation Programme and MFD EMFF Grants); and that a limited opinion report had issued to the NIEA on the NIEA Planning Consultations follow-up review.

DM advised members of the ongoing recruitment challenges within Internal Audit. The impact on plan delivery and options for improving staffing levels within Internal Audit was discussed.

Members discussed the progress report, including the risk appetite associated SBRI funding; the Welfare Enforcement Branch follow-up review and its ongoing limited opinion and the actions being taken by the CVO to address outstanding issues; and the NIEA Planning Consultations follow-up review.

DM presented the Audit Recommendations Update paper and advised that 79 recommendations remained ongoing. Of these, 50 related to reports issued during 2025–26, including 12 Priority 1 recommendations. It was noted five of these had been reported as implemented but required formal Internal Audit follow-up to be closed.

DM outlined the remaining Priority 1 recommendations, including two outstanding recommendations from 2022. Members noted that some outstanding recommendations might be closed in the coming months as follow up was undertaken and that the nature of some recommendations could mean that clearance could take a significant period of time to enable them to be implemented and operated.

ARAC noted the update and progress made in relation to Internal Audit plan.

DM then presented the Internal Audit Plan for 2026–27. In doing so he outlined the process undertaken to align it with departmental priorities and assurance requirements. He advised that the plan was balanced and sufficiently flexible to respond to emerging departmental needs. Members discussed the proposed plan, the audits included, and Internal Audit's capacity to deliver in light of staffing pressures.

Members noted the update and approved the IA Plan for 2026-27.

Agenda Item 9 - NIAO Update.

GC presented the DAERA Audit Strategy for 2025–26 and outlined how the Northern Ireland Audit Office, on behalf of the Comptroller and Auditor General, intended to audit the financial statements for the year ending 31 March 2026. The proposed audit approach; timetable; fees; and audit team were discussed as were changes to financial reporting guidance and matters to be communicated under International Standards on Auditing. Members also noted recently published reports by the C&AG and noted their relevance to DAERA.

Members noted the update by provided by NIAO.

Agenda Item 10 – Corporate Risk Register (CRR)

HQ presented the Corporate Risk Register (CRR) which was now based on a revised template. Members were advised that the Department's five core risks remained unchanged, with four risks rated Medium (Cyber Security; Health and Safety; Animal Disease and Welfare; and Policy, Programme and Delivery) and the People risk rated High.

Members were also updated on a newly identified Animal Disease and Welfare risk which was being added to the CRR following findings from a HSE inspection at AFBI. Members were advised that the CVO had requested that this risk be added to the CRR, which would be presented to the DAERA Board in May for approval.

ARAC discussed the CRR. SK noted that the register was more qualitative than quantitative and highlighted the absence of completion dates for future actions. It was considered that some of future actions listed would add to the control framework and whether further mitigating actions were required. This was discussed by members who agreed more focus needed to be given to this. In relation to Cyber Security, members discussed the increasing threat and noted that human behaviour was a key risk in this area but that there was mandatory cyber security training in place for DAERA staff.

AP1 – MO'D to check and advise on the completion levels for cyber security training across the Department.

Members noted the risk summary position and the CRR.

Agenda Item 11 – ALB Assurance Reports

AC presented the ALB sponsorship report, highlighting the oral statement made by Minister Muir to the Assembly the previous day regarding AFBI. The statement addressed issues arising from the recent HSE inspection and a range of other incidents and issues and actions that were being taken.

Members discussed the governance issues that had arisen, and the actions in progress, including lessons learned and opportunities for improvement. KG confirmed that AFBI's chair and board were taking the issues seriously and that DAERA was supporting them.

Members also noted the ongoing LMC levy review.

ARAC noted the updates provided.

Agenda Item 12 – Raising a Concern and Counter Fraud Activities

AC presented the paper on Raising a Concern and counter fraud activities. Members were advised that, between 1 April 2025 and 31 March 2026, 16 cases had progressed as Raising a Concern cases, with 10 ongoing and one from the previous year still live. Five ongoing fraud cases were also reported.

Members noted the report and were content with the update.

Agenda Item 13 – Governance Update

AC provided an update on two newly issued NIAO reports on Raising Concerns and on Partnership Working with ALBs. Members were advised that the reports would be considered from a DAERA perspective and that ARAC would be updated on how the Department was

already meeting, or would meet, the recommendations. It was noted that work was already underway to update the Raising a Concern Policy and that this would be done in parallel with updating the complaints handling guidance which is currently being considered by NIPSO

AC also advised that work on the DAERA Annual Report and Accounts was ongoing and that ARAC members who were also non-executive board members would be contacted regarding their input.

ARAC noted the governance update provided.

AOB

No AOB was noted.

Dates of next meeting

The next ARAC was scheduled for 13 May to discuss the draft 2025-26 DAERA Report and Accounts.

Meeting ended 12.00.

Minutes written by: Amanda McFarland	Date: 15 April 2026
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