**Minutes of Senior Management Team (SMT) Meeting held on 21 July 2020 @ 2.30pm**

**In attendance:** Kieran Donnelly, Chair (C&AG)

Pamela McCreedy (COO)

Rodney Allen (Director)

Patrick Barr (Director)

Neil Gray (Director)

Colette Kane (Director)

Tomas Wilkinson (Director)

Suzanne Walsh (Director)

Conor McGeown (Senior Auditor)\* - agenda item 4

Barry Mitchell (Senior Auditor)\* - agenda item 15

Louise Donnelly (Secretary)\*

(\*attended remotely online)

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| **1.** | **Apologies**  No apologies were noted. |
| **2.** | **Declaration of Conflicts of Interest**  There were no issues declared by members. |
| **3**. | **Minutes of Previous meeting and Matters Arising**  Minutes of the previous meeting held on 18 June 2020 were agreed and matters arising updated. |
| **4.** | **Risk Management**  **COVID 19 Risk Register**  Colette Kane briefed members on changes made to the COVID 19 risk register following the June meeting of SMT, changes were highlighted for member’s convenience. Members were advised the risk register had been presented at the Audit and Risk Assurance Committee (ARAC) meeting earlier that day.  **Risk Management Strategy**  Members were briefed on the revised Strategy, all changes were tracked for member’s convenience, Colette advised that any changes made do not alter the approach to risk management. SMT endorsed the Strategy.  **Orange Book**  Conor McGeown joined the meeting and provided an overview of the Orange Book to members. He advised that it was the view of the Corporate Risk Register Working Group (CRRWG) that NIAO fully complies with the principles of the Orange Book and this has been reflected in the draft Governance Statement.  The C&AG thanked Conor and members of the CRRWG for their input. A presentation on the Orange Book will be made to ARAC at their next meeting in September. |
| **5.** | **Finance Report**  **2019-20**  Rodney Allen briefed members on the following key points:   * **Finance**   The 2019-20 year-end position was discussed. There were no significant changes since the June SMT. Members noted the 2020-21 budget submission had been agreed by the NI Assembly’s Audit Committee.   * **IT** Staff are continuing to successfully host and attend online meetings using the various software packages supported by the Office. The in-house Video Conferencing Equipment can now be used to facilitate meetings where some attendees are in the office and some are joining remotely online. |
| **6.** | **Accommodation Project Update**  Rodney Allen updated members on the Accommodation Project the following key areas were discussed:   * The Design Team have now completed stage three of the project and will report to The Project Board at the next meeting scheduled for 22 July 2020. * The Project Board will consider the Design Team report when making a decision on progression to stage four. * SMT will be advised on the outcome of the decision to progress or not.   Members discussed the current working arrangements and what the future of work might look like and it was agreed this would be the subject of more substantive strategic analysis and engagement, perhaps as part of our next corporate planning process. |
| **7.** | **Corporate Report**  Rodney Allen briefed SMT on the following key points:  **HR**   * **Recruitment**   + Recruitment is ongoing for the following roles:     - Apprenticeship intake for 2020     - Auditor     - Audit Manager     - Learning and Development Officer * **Attendance Management**   Members noted absence figures per employee in the rolling period 1 April 2019 to 31 March 2020 commending the high percentage of staff with no absences.   * **Performance Management**   Interim performance assessments for 2020 are due, members were asked to note timelines.  **Business Support**   * **Tendering Exercises**   Members were updated on the current legal services tendering exercise.   * **Governance**   Members were advised that the Audit and Risk Assessment Committee (ARAC) had met that morning @ 11.30am. |
| **8.** | **Public Reporting COVID 19 Future Topics**  Pamela McCreedy briefed members on future public reporting COVID 19 related topics. Discussion around scheduling, resourcing and timelines for progression followed. Members agreed a meeting should be scheduled for the Operational Management Team to progress and report back to SMT. |
| **9.** | **Internal Audit**   * **Final Report of ISQCI Internal Compliance** * **Assurance Statement - Final**   Suzanne Walsh updated members on the Office’s response to the findings and recommendations noted in the report, she advised that no major issues were identified and Internal Audit were content to provide assurance that NIAO has suitable arrangements in place to sufficiently demonstrate compliance to the requirements of ISQC1.  SMT welcomed the report and assurances given. |
| **10.** | **External Audit**  Rodney Allen provided an update on the following:   * **Draft report on Annual Report and Accounts 2019-20**   The report was considered by ARAC at their meeting that morning with only minor amendments recorded after positive feedback. In summary no internal control issue weaknesses have been identified and no management letter points proposed, the audit was conducted fully in accordance with the audit plan. A matter of emphasis has been proposed by external audit in light of uncertainty around the property valuation, due to the covid-19 pandemic.   * **Draft Report on Financial Impacts**   Financial impacts have been reviewed by External Audit. who have agreed the Financial Impacts and concluded that the systems NIAO have in place for identifying, agreeing and monitoring the achievement of the financial impacts continues to be reliable and robust. No recommendations were made. |
| **11.** | **Draft Annual Report and Accounts and Governance Statement**  Rodney Allen updated members on progress and advised the draft Report and Accounts had been considered by ARAC earlier that morning. The Annual Report and Accounts will be presented to the C&AG for his signature when the relevant satisfactory assurances are received on the IT control environment. The C&AG thanked all those involved in the production of the annual report and accounts especially in the current circumstances. |
| **12.** | **Draft ARAC Annual Report**  Members were asked to note that ARAC had endorsed the report for presentation to the C&AG. |
| **13.** | **Certification Schedule**  Patrick Barr provided an update to members on the Certification Schedule. |
| **14.** | **Bank Confirmation**  Suzanne Walsh briefed members on the following issue:   * The requirement to obtain bank confirmation letters has become increasingly problematic with teams experiencing significant delays in obtaining letters as some banks are completely opting not to provide paper based returns at all. This is an increasingly common problem encountered by the other public audit agencies and private sector audit firms as well.   It is proposed the Office use an online service to obtain bank confirmation letters using a company endorsed by the British Banking Association.  After consideration SMT endorsed the proposal and agreed the Office should pilot the online service for one year. |
| **15.** | **Interactive Reporting**  Barry Mitchell joined the meeting and provided a presentation on Interactive Reporting. Members welcomed the presentation saying they found it very informative and thanked Barry for his input. |
| **16.** | **Technical Update**  Suzanne Walsh provided an update on the following technical matter:   * **GAD (Government Actuary’s Department) Assurance** – members were asked to consider the proposal to obtain GAD Assurance for the Office. After discussion SMT endorsed the proposal. Suzanne Walsh will progress. |
| **14.** | **Paper noted**   * DAO 05/20 Publication of Annual Theft and Fraud Report 2018/19 |
| **15.** | **AOB**   * **Next meeting 15 September 2020**   Afterdiscussion members decided to cancel the scheduled August meeting due to leave commitments but agreed to meet in the interim period if the need arose. |