

## Minutes of Senior Management Team (SMT) Meeting held on 15 June 2021 @ 10am

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

Rodney Allen (COO)  
Patrick Barr (Director)  
Neil Gray (Director)  
Colette Kane (Director)  
Brian O'Neill (Director)  
Suzanne Walsh (Director)  
Tomas Wilkinson (Director)  
Louise Donnelly (Secretary)

1.	<b>Apologies</b> No apologies were noted. The C&AG congratulated Brian O'Neill on his appointment as Director and welcomed him to his first SMT meeting.
2.	<b>Declaration of Conflicts of Interest</b> There were no issues declared by members.
3.	<b>Minutes of Previous meeting and Matters Arising</b> Minutes of the previous meeting held on 11 May 2021 were agreed and the matters arising updated.
4.	<b>Operational Performance Report</b> A report detailing key performance outturns for the public reporting and financial audit programmes from 1 April 2021 to 31 May 2021 was presented, the report included a link to the recently developed interactive performance report. Suzanne Walsh advised that further work needs to be done to ensure that management information to inform the tool is readily available. , To progress this the data analytics team will meet with relevant staff over the summer months to refine the information gathering process. A workshop will also be scheduled for all staff to advise them of the information required and how it should be inputted into the system.
5.	<b>Contract Management</b> Tomas Wilkinson provided an update to members concerning one of the Office's contracted audit suppliers. SMT recorded they were content for the procurement process to commence and agreed the contract should be tendered for a five year period. Members agreed the proposal to retain some of the audits in-house. The Operational Management Team (OMT) will give further consideration to the breakdown into lots of audits to be procured and the resourcing and timing of the audits to be retained in-house.  The procurement exercise will start as soon as possible with a view to going out to the market in early September with appointments being made in November/December 2021
6.	<b>Correspondence from DoF to C&amp;AG - Departmental Audit and Risk Assurance Committee (ARAC) membership and Remuneration of Board Members</b> Members noted the content of the letter presented. After discussion it was agreed that assurance should be looked for in the financial statements of Departments with the

	possibility of following up via a management letter point. The C&AG will raise the issue with the new Head of the Civil Service when they meet.
7.	<p><b>Department for Business, Energy &amp; Industrial Strategy consultation paper, Restoring Trust in Audit and Corporate Governance</b></p> <p>Suzanne Walsh advised that responses to the consultation are due by 8 July 2021. Each of the UK audit agencies is preparing a response and a consolidated response will also be provided by the Public Audit Forum (PAF). Audit Wales is taking the lead in preparing a high level response on behalf of the PAF bodies.</p> <p>SMT noted the draft paper presented, members were asked to consider the points raised in the PAF response presented and provide any feedback to Suzanne. The NIAO response is currently being prepared by the technical team and a draft will be considered by OMT in the coming weeks.</p>
8.	<p><b>Annual Assurances</b></p> <ul style="list-style-type: none"> <li>• <b>Anti-fraud, raising concerns and Complaints statement</b> – SMT noted the number and nature of cases.</li> <li>• <b>Senior Management/NEM Expenses and Hospitality</b> - SMT approved the disclosure for onward publication on the NIAO website. Members noted that due to the COVID pandemic there was minimal travel and hospitality in the reporting period.</li> <li>• <b>ISQC1 Monitoring Report</b> - SMT approved the report for consideration by the NIAO ARAC.</li> <li>• <b>ISQC1 Transparency Report</b> – SMT approved the report for consideration by ARAC and subsequent publication on the NIAO website.</li> <li>• <b>Public Reporting – Quality Review Panel</b> – positive results noted by members, will be reported in the Annual Report and Accounts.</li> </ul>
9.	<p><b>Draft Audit and Risk Assurance Committee (ARAC) Annual Report</b></p> <p>This report was noted by SMT. The draft will be considered by ARAC at their meeting scheduled for 24 June 2021.</p>
10.	<p><b>Draft Annual Report and Accounts including Governance Statement</b></p> <p>Brian O’Neill briefed members on the current position for 2020-21. SMT was asked to consider the draft report presented and provide feedback to Brian O’Neill.</p>
11.	<p><b>Business Transformation Programme (BTP) Phase 2 – Update</b></p> <p>Phase 1 BTP which was aligned to the previous Corporate Plan has largely been executed and delivered, any outstanding activities have been carried forward, refreshed and incorporated into the new Phase 2 BTP which now aligns to the current 2021-24 Corporate Plan. Twelve work streams have been identified across five pillars of transformation. Project Initiation Documents (PIDs) for nine work streams have been prepared and approved. Members were asked to note the position for each of the work streams.</p> <p>Progress on PIDs will be reviewed by OMT and an update will be provided for the next SMT meeting in August.</p>
12.	<p><b>Corporate Report</b></p> <p>Brian O’Neill provided an overview for members on the current position with regard to Finance, HR and Business Support:</p>

	<ul style="list-style-type: none"> <li> <b>Finance</b>  <b>2020-21 Forecast</b> - Members were asked to note the current budget position and the ongoing audit of the year-end financial statements.  <b>External Audit</b> - The external auditors commenced their work on Monday 10 May and are nearing the end of their audit.  <b>Accommodation</b> - Following the tender process the main contractor for the construction works has been selected and the contract should be awarded in the coming weeks. </li> <li> <b>HR</b>  <b>Recruitment</b> – Recruitment exercises for various posts are progressing in the coming weeks. The C&amp;AG commended the HR Team for their previous and ongoing intensive work in recruitment.  <b>Attendance Management</b> - Members were asked to note the positive absence figures per employee in the rolling period 1 June 2020 to 31 May 2021. </li> </ul>
13.	<b>Technical Report</b> Suzanne Walsh provided an update on the following key areas: <ul style="list-style-type: none"> <li> <b>Quality Control</b> – members were advised that Quality Control guidance will be updated to reflect that the COO is no longer designated the Local Government Auditor and to further clarify the role of the Compliance/Ethics Partner. </li> <li> <b>Audit Certificates</b> - Pro-forma audit certificate templates for 2020-21 have been developed and issued to all staff. </li> <li> <b>Technical Partner submissions</b> - Technical Partner submissions for 2020-21 have started to be received and directors were encouraged to make submissions as early as possible. </li> <li> <b>Engagement</b> <ul style="list-style-type: none"> <li>PAF Technical Directors Meeting – held on 7 June 2021</li> <li>ICAEW Public Sector Advisory Group – met on 27 May and discussed the BEIS White Paper ‘Restoring trust in audit and corporate governance’.</li> <li>ISA 315 PAF group - A further meeting was held on 21 May to discuss implications as a result of ISA 315 revised.</li> <li>Ongoing engagement with Department of Finance on various matters</li> </ul> </li> </ul>
14.	<b>Risk Management</b> <b>Corporate Risk Register revised</b> The revised Risk Register was presented by Colette Kane, all changes were highlighted in red for member’s convenience. The Corporate Risk Register Working Group (CRRWG) met and considered the following: <ul style="list-style-type: none"> <li>The new corporate strategic priorities;</li> <li>The continuing impact of the pandemic;</li> <li>The risk appetite and risk ratings; and</li> <li>Additional assurances and actions.</li> </ul> <p>The risk assessments were discussed and it was agreed the revised Corporate Risk Register should be presented to ARAC at their meeting scheduled for 24 June 2021.</p> <b>Near misses and issues</b> Annual assurance requires that CRRWG advises SMT and ARAC of any notified near misses and issues. Near misses and issues are defined as matters which impact on the risks identified during the year. It was confirmed, with the exception of the COVID pandemic

	addressed through the COVID 19 risk register which was elevated during 20/21, no other near misses or issues have been brought to the attention of CRRWG.
<b>15.</b>	<b>OMT Terms of Reference (ToR) Update</b> The ToR was considered and agreed by OMT at their meeting on 9 June 2021. The updated ToR was approved by SMT.
<b>16.</b>	<b>Papers to Noted:</b> Draft Advisory Board Minutes - 18 May 2021
<b>17.</b>	<b>AOB</b> <ul style="list-style-type: none"> <li><b>Next meeting 17 August 2021 @10am</b>, members agreed that a meeting was not required in July 2021 unless something unexpected arises.</li> </ul>