

Minutes of Senior Management Team Meeting held on Tuesday 9 May 2017

In attendance: K Donnelly, Chair (C&AG)
 L Mason (AAG)
 Janet Sides (AAG)
 R Allen (Director)
 C Kane (Director)
 N Gray (Director)
 S McKay (Director)
 T Wilkinson (Director)

Apologies D Lynn (Director)

Secretariat: Joe Campbell (Audit Manager)
 Louise Donnelly (Senior Divisional Secretary)

1.	Minutes of Previous Meeting
2.	Matters Arising Minutes of the previous meeting held on 11 April 2017 were agreed subject to minor amendment and Matters Arising updated.
3.	Finance 3.1 Finance Report SMT was updated on the Office's financial position for 2016-17 against the main estimate and the January Monitoring position. Subject to audit, the surplus (underspend) was reported as circa £365,000 against the Main Estimate and circa £250,000 against the January Monitoring position. SMT was informed that the DoF Permanent Secretary has authorised the use of resources and issue of cash from the Consolidated Fund (including VES) which facilitates NIAO spending up until the end of July 2017. Discussions are also taking place with all internal budget holders to underpin the Office's overall 2017-18 position. 3.2 Draft Annual Report and Accounts Draft financial statements were issued to the external auditor on 26 April 2017. Together with work to date on the annual report, these have also been made available to both the Audit Committee and SMT for consideration, who will receive advanced drafts over the coming weeks. 3.3 Hospitality Annual Return This has been completed and circulated to SMT to ensure accuracy and completeness.
4.	Performance Management 4.1. Operational Monitoring Paper In considering the paper SMT welcomed the progress that had been achieved in the final quarter. A number of actions were identified as follows: <ul style="list-style-type: none"> • the continued clearance of backlog accounts; • monitoring of the utilisation rates; • a review of 2016-17 direct/indirect time; and • the engagement of the external review panel to assess the three outstanding NIAO VFM reports published in 2016-17. 4.2. Corporate Services Monitoring Paper Absenteeism – Absenteeism in 2016-17 was an average of 14.2 days compared

	<p>to 9.1 days in 2015-16¹. The days lost in relation to long term absence have increased (1159 v 596 days), while days lost in terms of short term absence reduced (412 v 499 days). The number of employees without any absence has remained relatively static (49 v 48 staff).</p> <p>SMT noted prior discussions in relation to this and that a new Attendance Management policy is currently being drafted.</p> <p>It was also reported that a team, led by Rodney Allen, is being established to take forward the Accommodation Review.</p> <p>4.3 Performance against Business Plan Targets A small number of actions remain ongoing. Deadlines have been agreed to improve accuracy in the alignment of financial audit planning. Other actions of note include:</p> <ul style="list-style-type: none"> • continued focus on balancing resources between public reporting & financial audit work; and • completion of a benchmarking exercise by 31 May 2017 to inform the pay negotiations. <p>A new business plan will also be developed prior to Summer Recess.</p> <p>4.4 Whistleblowing/MLA Correspondence C&AG has welcomed the new RAG status format to the report. This has highlighted cases where he is seeking further detail and progress.</p>
5.	<p>Governance and Risk</p> <p>5.1 Corporate Risk Register – The Register was considered by the Audit Committee prior to submission to SMT. The new format was welcomed and the potential for further transparency was noted. It was agreed that the Office will work further with Internal Audit on the register to enhance transparency and report back to SMT and the Audit Committee in June 2017.</p> <p>5.3 IT Outsourced Activities – SMT noted the arrangements and controls in place in 2016-17 to oversee and manage the outsourced provision of its IT services.</p> <p>5.4 Anti-Fraud Statement This paper, which is prepared for the Audit Committee to assist in the completion of its 2016-17 assurance considerations, was noted by SMT.</p> <p>5.5 Terms of Reference The revised draft was considered and approved by SMT, subject to one amendment.</p>
6.	<p>Internal Audit</p> <p>6.1 IA Strategy Paper The paper was noted.</p> <p>6.2 IA Annual Report The paper was noted.</p> <p>6.3 Follow up Review Paper The paper was noted.</p>

¹ 8.2 days in 2014-15 and 10.2 days in 2013-14

	<p>6.4 Open Audit Points One Priority 2 (Amber) recommendation was recorded as outstanding.</p>
7.	<p>A.O.B.</p> <p>7.1 Performance Monitoring Review Report A report on the performance appraisal and development system, which had previously been discussed by the Advisory Group on 2 May 2017, was considered by SMT. Members noted the need for improved attention to personal development and that this should receive greater focus in the development of future resource plans.</p> <p>The key message arising was that SMT want to develop staff and to provide opportunities for development alongside the business needs of NIAO.</p> <p>It was agreed that SMT will discuss this further with the C&AG.</p> <p>7.2 RHI Enquiry Paper SMT was updated on progress against a Section 21 Notice request for information received from the RHI Enquiry Team.</p> <p>7.3 Stakeholder Engagement – Auditee Survey Sixteen responses have been received to date. An extension to the deadline has been made and the stakeholder group has re-engaged with the auditees to encourage a response. A report will be presented at the next SMT meeting.</p> <p>7.4 Next Meeting Tuesday 6 June 2017 @ 10am.</p>