

Minutes of Senior Management Team Meeting held on Monday 11 September 2017

In attendance: K Donnelly, Chair (C&AG)
P McCreedy (COO)
L Mason (AAG)
Janet Sides (AAG)
R Allen (Director)
C Kane (Director)
N Gray (Director)
D Lynn (Director)
S McKay (Director)
T Wilkinson (Director)
N Gray (Director)
T Wilkinson (Director)
C Whinnery (Head of HR) – Agenda item 4

Secretariat: Louise Donnelly (Senior Divisional Secretary)

Apologies: Joe Campbell (Audit Manager)

	The C&AG welcomed Pamela McCreedy, the new Chief Operating Officer to her first Senior Management Team Meeting.	
1.	Minutes of Previous Meeting	
2.	Matters Arising Minutes of the previous meeting held on 6 June 2017 were agreed and Matters Arising updated.	
3.	Finance 3.1 Finance Report The 2016-17 annual report and accounts were laid by DoF on our behalf on 27 June 2017 and placed on the NIAO website on 24 August 2017. Final outturn for 2016-17 was reported to DoF on 30 August 2017. The main estimate submission for 2017-18 was forwarded to DoF on 2 August 2017 incorporating a 4% reduction on last year. An underspend is currently forecast. R Ross will be exploring budget lines with budget holders to consider areas of expenditure that could be taken forward in 2017-18.	
4.	HR 4.1 Pay Review Benchmarking Exercise A report on the benchmarking exercise carried out by CAPITA is expected this week; when received this will be forwarded to TUS to inform pay negotiations. It is anticipated that negotiations will start mid/late September. 4.2 VES The VES Panel will meet on 12 September and firm and conditional offers will be issued by the end of the following week (22 September 2017). Civil Service Pensions require 4 weeks to calculate offers. It is anticipated that it will be 31 October before a definitive number of staff leaving under the current VES scheme is established.	

	<p>4.3 Workforce Planning 2017-18 – Position Report</p> <p>The Work Force Planning (WFP) exercise carried out in October 2016 suggested that the Office would find itself in a steady state over the period 2016-17 to 2018-19. However, since this forecasting, there have been significant changes which have impacted upon work force planning, including the 2016/17 Voluntary Exit Scheme, the Top Structure Review and the reprioritisation of Public Reporting. Increases in flexibility across the Office has also impacted the WFP position.</p> <p>It was recognised that there is a need to develop a strategy and adopt a more holistic approach to WFP, incorporating resourcing, recruitment, personal development, job design and talent management. This should be based upon the Business strategy, supported by information to inform the process.</p> <p>It was agreed that N Gray will take this forward and report on options to SMT.</p> <p>4.4 Travel and Subsistence</p> <p>Further research has taken place with Corporate HR (NICS), other audit agencies and HMRC and, subject to final clarification/discussion with HMRC. The Office is confident that the current NIAO travel policy is compliant with HMRC rules.</p>	N Gray
5.	<p>Performance Management</p> <p>4.1 Operational Monitoring Paper – key returns to date</p> <p>In financial audit 81 of the 85 accounts pre summer recess accounts were certified with a saving of 11.5% on costs In the same period, there has been an increase in the number of backlog accounts that need to be cleared.</p> <p>In public reporting, it was confirmed that the Office remains on target to deliver a full programme of reports</p> <p>In addressing the issue of summer recess financial audit plans, it was agreed that the target will be relaxed from 31 December to the end of January.</p> <p>It was also confirmed that staff utilisation to date was considered satisfactory.</p> <p>4.2 Corporate Services Monitoring Paper</p> <p>It was reported that there has been a significant decrease in absence in the reporting period, by approximately 3%, in comparison with the same period last year. The days lost in relation to long term absence have decreased significantly. The days lost in terms of short term absence and the number of short terms incidents have, however, increased. It was noted that over 70 per cent of staff have recorded no absence.</p> <p>SMT was informed that a new Attendance Management policy is being drafted by CAPITA which will be forwarded to TUS by the end of September 2017. The new policy will contain a measure which aims to</p>	

reduce short term absence and also hone the procedure for dealing with long term sick. It will also provide clarity in terms of the procedures to be followed which should alleviate concerns regarding inconsistency of application. As a high performing organisation, it was agreed that an ambitious target should be set to ensure continued improvement. A target will therefore be set by SMT in the coming weeks with an incremental improvement trajectory anticipated over the next three years.

In addressing IT, the meeting was informed that the Digital Services Strategy will result in new projects, including the introduction of an electronic document and record management system (EDRMS) and the development of our approach to data analytics. An action plan, including projected costs, for each of the strategy's six areas will be produced by 30 September 2017.

In addressing Office accommodation, SMT was informed that, following on from the review, completed by SIB in March 2017, the project has since broadened into the consideration of all potential options for the accommodation requirements of the Office

In reviewing the cost of strategic objectives as a percentage of total operating costs, it was noted that Financial Audit and Public Reporting have increased from 45% and 8% for the same period in 2016/17 to 46% and 11% respectively in the current year. Indirect activities has fallen from 32% to 30% and central activities from 9% to 8%. The review also highlighted efficiencies in central services and reflected the flexibility of staff in Cluster C, moving across to operational activities during the peak working period.

5.3 Performance against Business Plan targets

SMT was provided with detailed performance targets extracted from the corporate plan and performance to date against each of these. These include performance on stakeholder engagement impact and influence, delivery, and organisational performance. It also informed the meeting on progress against corporate plan commitments and other key projects/tasks.

5.4 Whistleblowing/MLA Correspondence

Whistleblowing

- Of the 45 cases recorded on the whistleblowing database as being 'Open' at 31st July 2017, 12 cases are aged 12 months or more.
- Two cases that have been open for 12 to 24 months.
- Ten cases that have been open for more than 24 months, six of which relate to Local Government.
- Four cases are considered dormant.

MLA Correspondence

- There are currently 13 open cases on the MLA database.
- Since the last report to SMT on 11 April 2017, three new cases have been opened, one of which has already been dealt with and closed. Two dormant cases remain on the MLA database.

	SMT agreed it would be useful to consider as part of the Digital Services Strategy for the introduction of a Case Management system for MLA and Whistleblowing correspondence.	
6.	<p>Project Management</p> <p>6.1 Digital Services Strategy Six groups have been established to report on the key areas identified. A Digital Services Group will be created to oversee and correlate the work of the groups and the Chair of the Digital Services Group will report to SMT.</p> <p>6.2 Accommodation Review Group Paper A range of options are currently being investigated. R Allen will organise visits for members of SMT to visit other organisations to view their accommodation. A further meeting with TUS is anticipated soon. An update will be provided to SMT at the October meeting. The Group is scheduled to report by 31 October.</p>	R Allen
7.	<p>Governance</p> <p>7.1 Corporate Risk Register Following on from the SMT June meeting, the Corporate Risk Register Group met to update and review the register; SMT also held a one-item agenda meeting to discuss the approach adopted by the Office in the development of the register and reviewed the risks. The updated register will now be considered on 21 September by the Audit Committee.</p> <p>7.2 Issues Log Nil Return</p> <p>7.3 Business Continuity Plan A test of the Plan was conducted on 21 March 2017. The testing was successful and did not highlight any issue which would cause undue concern in maintaining operational capability should a serious incident occur. It was concluded that the BCP currently meets the needs of the Office.</p> <p>7.4 Crisis Management Plan SMT has reviewed the current Crisis Management Plan (CMP) and minor updates have been made to ensure it meets our current needs. No further amendments are proposed at this stage</p> <p>7.5 FRC Update – Revisions to International Standards on Auditing (UK) on ethical standards and quality assurance A paper was provided for information to SMT. The standard incorporates a number of changes in relation to conflicts of interest. It is proposed that the NIAO code of conduct should be updated as per the supporting paper.</p>	

8.	<p>Internal Audit</p> <p>8.1 Draft IA Reports</p> <p>Haines Watt have conducted three internal audits on Risk Management, Income and Debtors and HR (Sickness). The review identified one amber (priority two) recommendation and two green (priority three) recommendations around the evidencing and recording of quarterly reconciliations between Central Time and PAMS system (amber), the updating of the CRR in relation to key actions and dates relating to all risks including Sickness Absence (green) and the need to set a sickness target for manpower planning, financial forecasting and performance reporting purposes (green). The report was presented and endorsed by SMT.</p> <p>8.2 Open Audit Points</p> <p>At the June 2017 Audit Committee meeting no recommendations were reported outstanding. As no reports were considered at the June 2017 meeting the position remains unchanged.</p>	
9.	<p>A.O.B.</p> <p>10.1 Media and Marketing C&AG informed the team that he had met with media consultants and Agenda NI. He is to liaise with N Gray to co-ordinate with work currently being undertaken by Digital Services Strategy to take a fresh look at our marketing and branding.</p> <p>10.2 30th Anniversary of NIAO The Stakeholder Engagement group will consider options at their next meeting scheduled for 25 September.</p> <p>10.3 Summary of Complaints – Internal, Whistleblowing and Grievance Cases</p> <p>SMT agreed it would be useful to consider as part of the Digital Services Strategy the introduction of a Case Management system for MLA and Whistleblowing correspondence.</p> <p>10.4 Next Meeting 10 October 2017 @ 10am.</p>	