**Minutes of Senior Management Team Meeting held on 12 December 2017**

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

P McCreedy (COO)

R Allen (Director)

N Gray (Director)

C Kane (Director

D Lynn (Director)

S McKay (Director)

T Wilkinson (Director)

T McNally (Secretary)

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| 1&2 | **Minutes of Previous meeting and Matters Arising**  Minutes of the previous meeting held on 7 November 2017 were agreed (one point by D Lynn re non-attendance at previous meeting has been updated) and Matters Arising updated. |
| 3 | **Finance**  **2017-18**  RA noted the 2017-18 monitoring return has been brought forward from 8 January to 13 December, to be followed by a spring supplementary estimate. RA presented a financial position update noting that a non-ring fenced resources underspend had been identified. It was noted that SMT members have taken the opportunity to look closely at all expenditure lines and explored the opportunity to undertake various projects within the remaining months of the financial year. As a result it is anticipated that any year end underspend will be minimised and considerable work will have been undertaken to improve our audit environment and accommodation. Members discussed the detail of a number of these initiatives. The C&AG welcomed these initiatives and the projections proposed.  **2018-19**  RA noted Dof has advised NIAO’s budget will not be reduced for 2018-19. He also noted a request had been received for bids for the final year of funding available through the Public Sector Transformation Fund, with bids to be submitted by 26 January 2018. RA advised due consideration would be given and would be discussed further at SMT. Members noted there continues to be uncertainty around the future audit requirements for the European Agricultural Fund and agreed this should be monitored closely given the potential significant impact on the Office’s income and expenditure. |
|  | **Risk Management**  CK presented the risk register. She indicated that the register requires some reworking to reflect the senior changes as result of the outworking of the Top Structure Review. The C&AG & PMcC will meet to review this and consider in detail the current position with each risk. The rapidly changing position on European Agricultural Funds will be taken into account and will be discussed by the Corporate Risk Management Group. . The Audit and Risk Assurance Committee meeting in February will be updated on the current position.  Members noted that some actions are now outside planned dates. It was agreed each should be assessed by the director responsible to ascertain the current position and advise on a realistic date for achievement. |
| 5 | **Human Resources**  SMT welcomed the absence statistics which continue to decrease when compared with the prior year. It was noted two members of staff resigned in the period to take up new employment in the private sector and there have been eight new employees who have started in the Office. It was also noted that the two Assistant Auditor Generals and six other employees will leave soon with their last day being 31 January. The C&AG recognised the considerable knowledge and experience loss for the office and the need for this to be properly acknowledged with the employees as they leave and look forward to new futures.  SMT noted the Office continues to support Further Education opportunities, where appropriate, and this was welcomed by members. |
| 6 | **Performance Reporting**  **6.1 Operational Report** –The Office has now been restructured operationally into five Director led teams covering Financial Audit, Public Reporting and Corporate responsibilities. RA is leading on core corporate services matters including HR, finance, governance and IT. All directors have various mixed portfolios of responsibility. A new organisation chart is being drafted. It was noted internal administrative matters will require updating as a result of the changes.  The C&AG and PMcC have reviewed the ongoing VFM 17-18 programme and the C&AG has decided the study topics for 2018-19. The C&AG noted the need to retain flexibility across our work portfolio to enable us to respond to the demands of a restored Public Accounts Committee.    **6.2 Corporate Report** – RA updated members on the Values and Vision workshops which were currently taking place and being led by a facilitator Anne McMurray who has been working closely with RA, PMcC and Christine Burns. Anne is also interviewing external stakeholders and she will lead an SMT corporate planning day on 16 January.  Members noted the current position with delivery of commitments in preparation for the introduction of GDPR in May 2018. This work is being led by Norma Connelly.    Members reviewed progress with the Business Plan. Some small changes were agreed. It was noted the annual survey of MLAs is unlieklyto happen this year.  SMT was informed that the Office’s VFM Panel will meet in February and will review the four most recent published reports. |
| 7 | **Governance**  The Office’s Audit Committee will be now be known as the NIAO Audit & Risk Assurance Committee (ARAC). It is anticipated ARAC will meet four times per year. Following the Committee’s most recent meeting a benchmarking exercise is being carried out with other audit agencies to compare terms of reference. It was noted that contracts have been extended for two of our non-executive members meaning the contracts of all non-executive members will expire in November 2018. The Office is also exploring suitable refresher training for the ARAC members. |
| 8 | **Whistleblowing & MLA Engagement**  Members noted the numbers and current position of open cases, which have decreased since July 2017. Local Government cases have increased due primarily to concerns around planning matters. |
| 9 | **AOB**  The next SMT meeting will be held on 22 January 2018 and will include further discussion of the Office’s draft Corporate Plan. |