

Minutes of Previous Meeting

Minutes of Senior Management Team Meeting held on 19 March 2019**In attendance:** K Donnelly, Chair (C&AG)

P McCreedy (COO)

D Lynn (Director)

R Allen (Director)

N Gray (Director)

C Kane (Director)

L Donnelly (Secretary)

Apologies: T Wilkinson (Director)

1,2 & 3	<p>Minutes of Previous meeting and Matters Arising</p> <p>Minutes of the previous meetings held on 19 February 2019 and 5 March 2019 were agreed and matters arising updated.</p>
4.	<p>Risk Management - Brexit Implications</p> <p>The Corporate Risk Register Working Group (CRRWG) met on 8 March 2019 to assess the potential consequences of Brexit for the Office. Brexit is expected to have a significant impact on both public and private organisations and for this reason it is essential that we have flexible contingency plans in place to cope with a variety of possible outcomes. SMT welcomed the detailed paper prepared by the CRRWG and discussed areas of possible impact – staffing, operational issues and funding. The risk to income associated with the European Agricultural Fund account (EAF) is a key risk and is already noted on the Corporate Risk Register. Members agreed no further elevation of Brexit risk is necessary at this stage but we would continue to monitor the situation. It was noted that Corporate Services would monitor much of the potential operational impact areas, keeping in close contact with developments in the NI Civil Service.</p>
5.	<p>Finance – Finance Report</p> <ul style="list-style-type: none"> • Budget Members noted the projected year end position for 2018-19. Members were briefed in relation to the budget for 2019-20 that was announced recently by the Secretary of State. The C&AG expressed his concerns that NIAO's baseline had not been increased. SMT noted that Corporate Services is preparing a detailed briefing paper for the C&AG following which it is anticipated engagement will be sought with the Northern Ireland Office. • Charge out rates SMT considered charge out rates for the 2019-20 year. A detailed discussion took place around the factors influencing rates. New rates were agreed and it was noted this would increase audit budgets. The impact of this was discussed particularly in the case of hard charged audits. The results of our recent procurement exercise were noted and comparison with market rates was made. It was agreed directors should discuss with their audit managers and an APC would then be issued. SMT has asked for a strategic review of trends in charge out rates and the factors driving them and asked that a terms of reference be scoped.
6.	<p>Corporate – Corporate Report</p> <ul style="list-style-type: none"> • HR Attendance Management – SMT noted there has been a slight increase in the long term sickness absence figures which has impacted on the overall days lost per person however SMT also noted there has been an increase in the number of staff with no sickness absence days at all.

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	<p>Training - A table detailing all training provided and positive evaluation ratings returned was considered and welcomed by SMT.</p> <p>Performance Management - SMT discussed the current position with compliance in the existing system and emphasised the importance of all end year appraisals and new objectives being in place.</p> <p>Staff Survey – A very high response rate by staff was noted and welcomed for the survey. Results are currently being analysed and should be available for the Office conference.</p> <ul style="list-style-type: none"> • Business Support <p>External Audit - Baker Tilly Mooney More have been formally reappointed as our external auditors and the result confirmed in the EU Journal by CPD.</p> <p>Internal Audit – Phase II of reviews scheduled for 2018-19 was completed on 9 March 2019. Reports will be presented to SMT on 16 April 2019.</p>
7.	<p>Office Conference – Draft Programme for the Day</p> <p>A draft programme was presented to update members. A meeting of the working group has been scheduled for later this week to progress. The C&AG was positive about the progress so far and noted this is an important event in the Office’s year.</p>
8.	<p>Draft APC – Contracting Out</p> <p>A draft APC was presented for discussion. Specific discussion focused on on Engagement Director attendance at the audit planning meetings with contracted partner firms (Engagement Team discussion on fraud and risk). Comparison of our approach was made with another audit institution alongside interpretation of ISA 220. SMT decided that the NIAO requirement going forward should be for Engagement Directors to ‘Consider the need to attend planning meeting along with contracted out firm. This is proposed as a minimum to ensure that a discussion has taken place and been documented with the contractor to consider the plan and in particular that there has been adequate consideration of fraud and risk.’ SMT agreed this should be incorporated in the APC and communicated to all staff.</p>
9.	<p>AOB</p> <ul style="list-style-type: none"> - SMT asked for a report on the conclusions of the investigation into the data breach; and - Date of next meeting noted as 16 April 2019.