

**Minutes of Senior Management Team Meeting held on 16 January 2019**

**In attendance:** K Donnelly, Chair (C&AG)  
 P McCreedy (COO)  
 R Allen (Director)  
 D Lynn (Director)  
 T Wilkinson (Director)  
 N Gray (Director)  
 C Kane (Director)  
 R Ross (Audit Manager) – Agenda item 6  
 H Dodds (Auditor) – Agenda Item 6  
 T McNally (Secretary)

1&2	<p><b>Minutes of Previous meeting and Matters Arising</b>          Minutes of the previous meeting held on 29 November 2018 were agreed and matters arising updated.</p>
3.	<p><b>Risk Management</b>  <b>Corporate Risk Register</b>          The Corporate Risk Register (CRR) was presented for consideration. C Kane noted only minor changes had been made since the last SMT. These were highlighted in Red for member's convenience.</p> <p>The Corporate Risk Register Working Group (CRRWG) met on 10 January 2019. Since the last SMT the three allocated members of CRRWG met with project team members for discussions on the risk registers for the following projects; Financial Audit Procurement, Accommodation and Data Analytics. Project risk registers were changed as a result of these discussion and ongoing liaison between CRRWG and project teams was established.</p> <p>An issue was raised by CRRWG concerning potential "individual personal liability" where staff are involved in a tendering process. SMT discussed and concluded that where staff involved in the procurement process have followed policy and acted reasonably then there should be no risk to an individual. R Allen agreed to consider further.</p> <p>Brexit impact on EAF and its impact on the risks for the office will continue to be monitored.</p>
4.	<p><b>Finance</b>          R Allen briefed members on the financial position for the remainder of 2018-19 and the outlook for 2019-20.</p> <p>The financial impact and pressure of increased costs to contractors was discussed. It was noted that there will be an inflationary up-rate of 2% (from core price) fees each year that has not yet been factored in to the budgetary figures. D Lynn is preparing a paper for Managers to take to explain audit fee increases addressing the fundamental shift towards</p>

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	<p>quality that the revised approach to financial audit contracting represents. It was agreed this would be useful briefing to assist with client engagements on audit fee increases.</p>
5.	<p><b>Corporate Matters</b></p> <p><b>5.1 Corporate Report</b></p> <p>The Corporate Report was presented by R Allen to members and the following points were noted:</p> <ul style="list-style-type: none"> <li>• <b>Complaints</b> Since the previous meeting of SMT we have received two letters from NIPSO. The office has issued a response to NIPSO and sought legal advice.</li> <li>• <b>Pay</b> The pay award has been agreed for two years and all backpay will be paid to staff with January salaries. The C&amp;AG spoke very positively about this outcome.</li> <li>• <b>Temporary Contracts Framework</b> An invitation to tender was placed on OEJU with a closing date 26 November 18. Tenders were evaluated and awards issued 18 December 2018. There has been no expenditure currently committed. It is anticipated that recruitment of more Auditors would ease the need for temporary staff.</li> <li>• <b>Communications</b> F Casey joined NIAO in December. He has been involved in various matters already including the office conference, QA1 &amp; QA2 sessions, media releases and media handling.</li> <li>• <b>Recruitment &amp; HR</b> Four GTA's have been appointed and will commence employment in September 2019. . There was a general consensus that how we marketing our recruitment opportunities needs further consideration. The new HR officer N Strahan will be starting in February. L Hutchinson has stressed the importance of staff appraisals being completed in a timely manner and this was endorsed by members. Inspire has been procured to take forward the staff survey and it is intended this will be undertaken and reported in the coming months.</li> <li>• R Allen presented an Operational Performance Report detailing performance against key targets as at 31 December 2018. Members noted the status of performance and discussed the reasons for some accounts being backlogged. It was noted that reporting on KPIs would change with the introduction of the new management system. It was agreed P McCreedy would consider the target concerning the average cost of studies in the context of the different product line set out in the three year plan.</li> <li>• VES – Members noted the impact of the voluntary exit scheme on the structure of the organisation as a result of the significant number of staff departures in the period since January 2016. Members also discussed the loss of key skills and the opportunity and challenge involved in supporting the business model in the period ahead.</li> </ul>
6.	<p><b>Progress on Central Time (Presentation)</b></p> <p>R Ross and H Dodds presented developments with the new “Time and Space” project and system which is due to be rolled out between April-September 2019. This will replace the existing Central time system and also incorporate interfaces with PAMS, SAGE and MKI. The presentation was positively received and the members were pleased with the progress</p>

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	of this project. It was decided that this would be presented to all staff at the next team brief.
7.	<p><b>Accommodation Refurbishment – Staff Survey</b></p> <p>R Allen circulated the results of the NIAO Accommodation project Staff Survey Report. SMT fully endorsed the survey and recorded thanks to staff for the excellent feedback and suggestions. It was agreed the report should be shared with staff and an update with the progress of the project will be included in the next staff briefing.</p>
8.	<p><b>Contracting out of Financial Audits</b></p> <p>D Lynn explained that standstill letters have all been issued and the standstill period is now over. Contract award letters to our successful firms will be issued by 19 January. Five bodies presented with conflict considerations following contract notification letters. As a result the contracts have been reallocated to other successful firms.</p>
9	<p><b>Data Analytics</b></p> <p>T Wilkinson provided a paper which focused on the key milestones. To date 54 companies have registered and today 16 January 2019 is the closing date. Innovate UK will do the initial sift of the applications and then rank them all in order. The team will then consider the list and may invite some applicants to an interview on 22 February before making a final decision. The final list of the proposed 5 applicants to go forward into phase 1 will be subject to SMT approval (before 1 March).</p>
10.	<p><b>AOB</b></p> <ul style="list-style-type: none"> <li>Members agreed to meet on a monthly basis going forward. It was agreed that the agenda of one meeting in three would major on the Business Transformation Programme beginning with the meeting scheduled for 19 February.</li> </ul>