

MINUTES OF AUDIT COMMITTEE MEETING HELD THURSDAY 21st SEPTEMBER 2017

Members Present: Áine Gallagher (Non Executive Member - Chair)
Gillian Body (Non Executive Member)
Paul Douglas (Non Executive Member)
Pat Cumiskey (Non Executive Member)

Apologies Kieran Donnelly (Comptroller and Auditor General)
Colette Kane (Director)

In Attendance Pamela McCreedy (Chief Operating Officer)
Janet Sides (Assistant Auditor General)
Richard Ross (NIAO Finance Manager)
Lee Glover (Haines Watt – Internal Audit)
Brian McFetridge (Baker Tilly Mooney Moore (BTMM) – External Audit)
Joe Campbell (Secretary)

1. Meeting of Committee Members Only

A meeting of Committee members only took place.

2. Confidential Meetings with Internal and External Audit

The Committee met with Internal Audit and subsequently with External Audit for a private discussion. Other attendees were then invited to join the meeting.

3. Declaration of Conflicts of Interest

There were no issues declared by the Committee members or attendees prior to the meeting.

On behalf of the Committee, the Chair warmly welcomed Pamela McCreedy (COO) and Richard Ross (Finance Manager) to their first Audit Committee meeting in their new roles.

4. Minutes of Meeting held 22nd June 2017 and Matters Arising

The minutes of the meeting held on 22nd June 2017 were approved subject to minor amendment.

5. Finance

R Ross provided the Committee with an update on the finalisation, closure and publication of the 2016-17 annual report and accounts and the current position around funding and expenditure for 2017-18. In discussing the 2016-17 accounts, the Committee encouraged the Office to involve external audit to feed into the post project learning process.

The Committee sought clarity on a number of the projected surpluses/pressures for 2017-18 and how they will be addressed. It also highlighted the risk of a significant under-spend against budget, referring to previous years' outturns. The Committee was informed that management was currently reviewing its funding requirements for the remainder of the

year which, among other things, would consider the needs of its Digital Services Strategy and 2016-17 Voluntary Exit Scheme. Any required adjustments to its budget would be addressed through in-year monitoring rounds co-ordinated by the Department of Finance and the Spring Supplementary Estimate process.

Members recognised that a clearer picture would emerge around the spring supplementary stage. The Committee urged the early identification of strategic priorities in the event of surplus funds becoming available within the financial year and endorsed a more proactive management of budgets. The Chair requested that the Committee was kept informed of progress on the ratification of the Office's budget which has yet to be fully approved, in keeping with the whole public sector, due to the current political context.

6. Risk Management

Corporate Risk Register – The Committee was briefed by J Campbell on the corporate risk register. It was explained that following on from the June Audit Committee meeting, the Corporate Risk Register Group had met to update and review the register; SMT had 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 which resulted in the amended register submitted to the Committee.

The Committee was encouraged by the way in which the Office was using the framework that had been developed to manage risk. In reviewing the register, members probed the sufficiency of assurance under the three lines of defence, and the priority given to planned activity to mitigate risk. Members also proposed further amendments around the need to remove the Audit Committee as a “second line of defence”, re allocation of controls in the lines of defence and sought clarity around the use of footnotes on the register.

The Committee noted that no issues had been raised in the issues log.

7. Internal Audit Reports

Internal Audit Reports - L Glover informed the Committee that, on each of the three reviews conducted in August 2017, as agreed in the Audit Strategy, he was able to provide satisfactory assurance that the controls were suitably designed and effective to manage the risks considered. Members were informed that a total of six recommendations were made in the reports (one amber and five green), each of which were considered and accepted by SMT prior to finalisation of the reports. In discussing the findings, the Committee sought clarity on the results of the reconciliation between PAMS and Central Time on sickness absence, specifically to be assured on the accuracy of information reported on sickness absence. It was subsequently agreed that a paper on the next reconciliation, due to be completed following 30 September will be provided to the November meeting of the Committee.

Further clarification was also sought on the need to re-schedule the completion of the Sickness Absence Management policy; it was agreed that the Committee would be informed of its completion date at the next meeting.

Open Audit Points – Members noted the updated position relating to four green recommendations which remain outstanding.

8. Business Continuity Plan

J Campbell briefed the meeting on the testing of the Business Continuity Plan (BCP) and a number of minor updates including contact details and the use of SMS for contacting staff. This paper had been considered by SMT on 11 September which concluded that the BCP currently meets the needs of the Office.

In reviewing the paper, members were assured that the Assembly had been informed of contingency arrangements should the C&AG become unavailable. Members also sought clarity on the contingency arrangements in place for the IT system maintained by IT Assist. It was agreed that further information should be provided on this aspect at the next meeting.

9. Crisis Management Plan

J Campbell informed members that SMT had reviewed the updated Crisis Management Plan (CMP) on 11 September, concluding that it currently meets the needs of the Office. The Committee noted the paper and suggested the inclusion of a further scenario in the event of a crisis involving the C&AG.

10. Analysis of Complaints, Internal Whistleblowing and Grievance Cases

Members considered the progress on the outstanding cases in the paper presented to them and welcomed the significant decline in activity around complaints, grievances and whistleblowing cases in the current year. The paper was noted by the Committee.

11. Stakeholder Engagement

The Committee was briefed on the paper detailing the activities of the Stakeholder Engagement Group for the period from 22 June 2017. The paper was noted by the Committee.

12. AOB

Forward Work Programme – Members were informed that a draft forward work programme will be completed for the November meeting of the Committee.

The meeting was brought to a close.

The next meeting will be held on **Thursday 23rd November 2017** in the NIAO Conference Room, starting at **10:00am**.