

Assembly Commission Audit and Risk Committee (ACARC)

**Thursday 18 May 2023 at 2.00 pm
Room 21**

AGREED

- Present:** Edward Lord, Chairperson
Dr Maurice Keady, Independent Member
Trevor Clarke, MLA
- In Attendance:** Lesley Hogg, Clerk/Chief Executive
Tara Caul, Director of Legal, Governance and
Research Services
Steven Baxter, Director of Corporate Services
Paula McClintock, Head of Finance
Donna-Marie Clark, Data Protection and Governance
Officer
Suzanne Walsh, Northern Ireland Audit Office (NIAO)
Laura Murphy, NIAO
Pauline Poots, EY
Helen Smyth, EY

The Chairperson, Edward Lord, commenced the meeting at 2.00pm and formally welcomed all those in attendance.

1. Apologies

Apologies were received from Gareth McGrath, Director of Parliamentary Services.

2. Declaration of Interests

No interests were declared.

3. Minutes of Previous Meeting

The minutes of the previous meeting, held on 16 February 2023, were agreed.

4. Matters Arising

No matters arose.

5. Internal Audit Update Report

Helen Smyth provided an overview of the Internal Audit Update Report which outlined the work that had been performed against the 2022-23 Internal Audit Plan. She confirmed that the 2022-23 Internal Audit Plan was now completed.

Helen highlighted that the fieldwork for two of the audits had been completed by the previous in-house Internal Audit function and that EY had closed out these reports with key stakeholders. She stated that three audits had been completed by EY, together with a Follow Up Report of Outstanding Recommendations.

Helen also noted that EY used a three-tier assuring rating of Satisfactory, Limited and Unacceptable, as outlined in DAO 07/16.

ACARC considered and noted the Internal Audit Update Report.

6. Detailed Internal Audit Reports

Helen summarised the findings of each Internal Audit Report.

Helen noted that given the quality of work demonstrated by the previous in-house Internal Audit function, EY was content that adequate controls were in place and there were no areas of concern to be highlighted with regard to the Bill Office and Engagement audits that EY had closed out.

Helen observed that the processes around Members Expenses could be simplified to reduce the administrative burden for staff. Lesley Hogg confirmed that a new corporate support system was being designed, and is expected to go live within the next 12 to 18 months, that would address this issue.

Helen stated that there were no further matters reported in regards to Winding Up Expenses.

ACARC considered and noted the detailed Internal Audit reports.

7. Annual Assurance Report

Pauline Poots noted that the Annual Assurance Report had been produced in accordance with the Public Sector Internal Audit Standards, to provide a formal annual opinion on the adequacy, reliability and effectiveness of the Assembly Commission's system of risk management, control and governance for the year ended 31 March 2023.

Pauline outlined that EY had been appointed in February 2023 and had commenced a programme of audits which included the completion of the 2022-23 Audit Plan developed by the previous in-house Internal Audit function. She confirmed that this plan, together with the audits performed by the previous in-house Internal Audit function, provided the basis upon which EY had delivered Internal Audit services to the Assembly Commission during the 2022-23 year.

Pauline confirmed that EY consider that the Assembly Commission has a framework of controls in place that provides Satisfactory Assurance over the effective and efficient achievement of the organisation's objectives and the management of key risks.

Edward stated that EY had only become the Internal Audit service provider in February 2023 and sought assurance that EY was confident to give a Satisfactory level of assurance. Pauline confirmed that based on the audit activities for the year and the 2022-23 Plan, EY was content to stand over a Satisfactory assurance, albeit that the Internal Audit Plan may have been broader in scope had EY undertaken it from the outset.

ACARC considered and noted the Annual Assurance Report.

8. Outstanding Audit Recommendations Schedule

Donna-Marie summarised the status of the outstanding audit recommendations.

Tara Caul confirmed that staffing issues within the Procurement Office had significantly improved and that the delivery of delegated procurement training had been scheduled for June 2023.

Steven Baxter confirmed that the Concerto maintenance system would be fully implemented by the end of July 2023.

ACARC noted the Outstanding Audit Recommendations Schedule.

9. Draft Annual Report and Accounts for the Year Ended 31 March 2023

Paula McClintock apologised for the late circulation of the Draft Annual Report and Accounts, highlighting the challenges faced by the Finance team and some significant accounting adjustments that had to be made. She then talked through the memo that she had circulated in advance of the meeting which contained an overview of the draft 2022-23 Annual Report and Accounts.

Paula provided a brief overview of the draft figures and confirmed that while there were no significant formatting or additional reporting requirements applied this year, there were a number of changes affecting the Statement of Outturn against Assembly Supply (SoAS).

Steven Baxter thanked the Finance team and advised that the process for producing the Annual Report and Accounts would be reviewed for the year end 31 March 2024.

ACARC note the update provided.

10. NIAO Update on the Audit of the Financial Statements for the Year Ended 31 March 2023

Suzanne Walsh noted that the NIAO had completed its interim audit and, while there were no issues that might result in a qualification, there were a number of internal control/governance issues that will be raised in the Report

to Those Charged with Governance. She provided an overview of these issues to the Committee.

ACARC noted the NIAO update on the audit of 2022-23 Financial Statements.

11. Corporate Risk Register (CRR)

Donna-Marie Clark presented the CRR for March 2023 and highlighted the changes from the December 2022 version. She noted that SMT would incorporate the escalation of cyber security risk from the Parliamentary Services Directorate Risk Register to the CRR at its next review in June 2023.

ACARC considered and noted the CRR.

12. Directorate Risk Registers (DRRs)

Donna-Marie presented the DRRs and the risk cluster analysis.

ACARC considered and noted the DRRs and the risk cluster analysis.

13. Stewardship Statements

Directors presented their Stewardship Statements.

Edward suggested that a “deep dive” by Directorate would be useful and that he would discuss this with Lesley.

ACARC noted the Stewardship Statements.

14. NAO Cyber Security and Information Risk Self-Assessment Action Plan Monitoring

Donna-Marie provided a status update on the outstanding action in relation to cyber security.

Lesley noted that the Grading and Pay Benchmarking report had been received and that recruitment of IT staff was anticipated to take place in the autumn.

ACARC noted the Cyber Security and Information Risk Self-Assessment Action Plan Monitoring.

15. Risk Management Self-Assessment Action Plan Monitoring

Donna-Marie provided a status update on the outstanding action.

ACARC noted the Risk Management Self-Assessment Action Plan Monitoring.

16. Fraud and Bribery Self-Assessment Action Plan Monitoring

Donna-Marie provided a status update on the outstanding actions.

ACARC noted the Fraud and Bribery Self-Assessment Action Plan Monitoring.

17. Draft ACARC Annual Report and Self-Assessment

Edward presented the draft ACARC Annual Report and Self-Assessment which had been prepared by Commission officers and noted that they provided a fair summary of ACARC's work for the year, but that additional wording was required to recognise the period of over six months where the Assembly Commission was without an Internal Audit function.

Lesley was asked to provide additional wording for draft ACARC Annual Report for consideration by Edward, Maurice Keady and Trevor Clarke.

ACARC approved its Annual Report and Self-Assessment for presentation to the Assembly Commission subject to the additional wording to be included.

18. ACARC Biennial Cyclical Plan

Donna-Marie presented the ACARC Biennial Cyclical Plan which 2023-2025.

ACARC considered and noted the ACARC Biennial Cyclical Plan.

19. Key Guidance from the Department of Finance

Donna-Marie noted that since the last ACARC meeting there had been no further Dear Accounting Officer (DAO) or Finance Director (FD) letters issued by DoF.

ACARC noted the update provided.

20. AOB

None.

21. Date of Next Meeting

The date of next meeting was set for Tuesday 27 June at 2pm.

The meeting ended at 3.25 pm.