

**SECRETARIAT AUDIT AND RISK  
COMMITTEE**

**REPORT TO THE ASSEMBLY  
COMMISSION**

**YEAR ENDING 31 MARCH 2016**

## CHAIRPERSON'S FOREWORD

I am pleased to present the Annual Report for 2015/2016 on behalf of the Secretariat Audit and Risk Committee (SARC). This Report describes how SARC fulfilled its role of providing support and advice to the Assembly Commission and the Clerk/Chief Executive in order to ensure sound financial and governance arrangements. In line with its policy of openness and accessibility, SARC Annual Reports and the minutes of SARC meetings are placed on the Assembly website.

During the reporting year, SARC provided support to the Secretariat in relation to managing risk and contributed to the completion process for the 2014/15 Accounts. In particular, SARC concentrated on assurances in relation to Members' expenses, procurement compliance and the implementation of outstanding audit recommendations. SARC members met with the Independent Financial Review Panel in relation to the Panel's proposals on constituency office expenditure. A "comply or explain" analysis of the NIAO Good Practice Guide on Conflicts of Interest was considered by SARC. The Corporate Risk Register was reviewed each quarter by SARC, and Directorate Risk Registers were reviewed in March. Management Accounts were also considered. SARC members completed a self-assessment template, based on the National Audit Office's checklist for Audit Committees. We have added an element of external review to the assessment by requesting comments on SARC's effectiveness from the NI Audit Office's representative.

The draft Internal Audit Plan for 2015-16 was considered and agreed by SARC at its meeting on 3 April 2015. The plan was reviewed by SARC throughout the year in light of the Activity Reports received from the Head of Internal Audit at each meeting, and the programme, as amended, was successfully completed.

We have continued to see significant progress in the timely implementation of audit recommendations, as we maintained our effective system for systematically monitoring the implementation of all audit recommendations to clear timetables and targets.

I am pleased to report that the Secretariat has developed and maintained a strong culture of accountability throughout the organisation and wisely continues to use the Internal Audit function as a business improvement tool.

In these financially challenging times, I am pleased to report that we achieved all this within our allocated budget.

I am grateful to the Assembly Commission for its support and for allowing me to attend its meetings and to contribute to its discussions throughout the year. This has continued to be very helpful in providing a broader perspective for the work of SARC. The opportunity given to me to meet privately with the Assembly Commission to discuss matters pertaining to SARC has been particularly helpful.

I would like to thank Peter Weir MLA, who served as the Commission member on SARC until 18 May 2015, and Pat Ramsey MLA, who served from June to December 2015, for their valued inputs to the work of SARC. I am grateful to Sam Gardiner MLA for attending the SARC meeting on 22 March 2016. I am also grateful to Bernard Mitchell for his continued support and professionalism as the SARC Independent member

Finally, my thanks go to the Clerk/Chief Executive and the staff of the Assembly Secretariat for their commitment and diligence in providing SARC with the information necessary to achieve its objectives as well as very valuable secretarial services.

**COLM McKENNA  
CHAIRPERSON**

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# **SECRETARIAT AUDIT AND RISK COMMITTEE**

## **REPORT TO THE ASSEMBLY COMMISSION FOR YEAR ENDING 31 MARCH 2016**

### **1 INTRODUCTION**

This Report provides the Assembly Commission with an account of the activity and achievements of the Secretariat Audit and Risk Committee (SARC) in 2015/2016 in relation to its objectives for that year. The Report also sets out SARC's objectives and budget for 2016/2017.

### **2 SECRETARIAT AUDIT AND RISK COMMITTEE (SARC)**

SARC plays an important role in the overall system of corporate governance in the NI Assembly Secretariat. It is independent of the Secretariat and aims to support the Clerk/Chief Executive in his role as Accounting Officer. It also provides independent support to the Assembly Commission in monitoring its responsibilities for issues of risk, control and governance and by reviewing the comprehensiveness of assurances.

#### **2.1 Meetings**

SARC meets at least four times a year, although the Chairperson may convene additional meetings should he feel that this is necessary. During 2015/16, SARC met six times (3 April, 19 May, 19 June, 8 October and 16 December 2015, and 22 March 2016). Attendance was as follows:

<b>Meeting Date</b>	<b>Members present</b>
3 April 2015	Colm McKenna Peter Weir MLA
19 May 2015	Colm McKenna Bernard Mitchell
19 June 2015	Colm McKenna Bernard Mitchell
8 October 2015	Colm McKenna Bernard Mitchell Pat Ramsey MLA

16 December 2015	Colm McKenna	Bernard Mitchell	
22 March 2016	Colm McKenna	Bernard Mitchell	Sam Gardiner MLA

SARC meetings are normally attended by the Accounting Officer, the Director of Corporate Services, the Head of Internal Audit and a representative from the Northern Ireland Audit Office. Secretarial support is provided by the Legal and Governance Services Directorate.

The Chairperson of SARC attends meetings of the Assembly Commission as an observer. Colm McKenna attended meetings of the Commission on 17 June, 24 June and 20 October 2015 and 17 February and 3 March 2016. Bernard Mitchell attended the Commission meetings on 4 November and 2 December 2015 and 27 January 2016.

## 2.2 Training

SARC members are fully aware of their requirements and duties, undertaking appropriate professional training, both within and without the Assembly.

## 2.3 Management Information Systems and Controls

At each meeting, SARC is provided with a number of analyses and reports including:

- A log of all outstanding Audit Recommendations together with a statement of the current position on each and a target date for completion of any outstanding actions. This is used at each meeting to monitor progress and ensure that recommendations are managed and closed in a controlled manner.
- Changes to the Corporate Risk Register and any areas of concern. SARC monitors the actions taken by SMG to manage the Corporate Risks to ensure they remain both relevant and effective. Copies of the Assurance Statements completed by Risk Owners are submitted to SARC for scrutiny every six months.
- A report in relation to any issues of concern relevant to SARC regarding the delivery of Business Plan objectives.
- A progress report from the Head of Internal Audit summarising:
  - Work performed (and a comparison with work planned)
  - Key issues emerging from Internal Audit work
  - Management response to audit recommendations
  - Changes to the Periodic Plan
  - Any resource issues affecting the delivery of Internal Audit objectives

- A progress report from the NI Audit Office representative summarising work done and emerging findings.

As and when appropriate, or when requested, SARC will also be provided with:

- Proposals for the Terms of Reference of Internal Audit;
- The Internal Audit Strategy;
- Head of Internal Audit's Annual Opinion and Report;
- Quality Assurance reports on the Internal Audit function;
- The draft accounts of the Assembly;
- The draft Governance Statement;
- A report on any changes to accounting policies;
- A report from the Accounting Officer summarising progress against the Secretariat's Business Plans, highlighting any issues that may be relevant to the work of SARC;
- The NIAO's Report to those charged with Governance;
- A report on any proposals to tender for audit functions;
- A report on co-operation between Internal and External Audit;
- The NIAO audit strategy;
- Information on any impending changes (as identified by Internal or External Audit) that may impact upon the work of SARC.

SARC is satisfied with the comprehensiveness, reliability and integrity of assurances, the quality of audit, financial reporting and the management of risk. SARC members considered the contents of a draft Governance Statement at the SARC meeting on 19 May 2015.

### 3 PROGRESS OF SARC IN 2015/16

#### 3.1 Performance against key objectives

KEY OBJECTIVE	PERFORMANCE
To ensure the effective implementation of audit recommendations, including External and Internal Quality Assurance recommendations	Continued success in the rapid implementation of outstanding audit recommendations. An effective system for assessing new audit recommendations as well as managing and monitoring their implementation was maintained.
To oversee the handling of key risk areas by the Secretariat to ensure that risk is being appropriately managed and value for money secured.	Corporate Risk Register reviewed at SARC meetings. Value for money is considered in the oversight of the ongoing audit programme.

To keep under review any risks arising from organisational change programmes, where appropriate, and any issues arising out of the work of the Independent Financial Review Panel.	Corporate Risk Register reviewed at SARC meetings. Directorate Risk Registers are reviewed annually  Meeting held with the Independent Financial Review Panel.
To oversee the timely sign-off of the Annual Report and Accounts.	Achieved
To promote best practice where possible in the operation of SARC.	Compliant with Audit and Risk Committee Handbook NI. SARC members bring experience from other Audit Committees, undertake training and keep abreast of updates and guidance.

### 3.2 SARC budget and expenditure

The budget for 2015/2016 was estimated based on anticipated activity and the activity in the previous year. Adjustments were made in year in line with the actual level of activity.

<b>BUDGET HEADING</b>	<b>ORIGINAL BUDGET £</b>	<b>IN YEAR ADJUSTED BUDGET £</b>	<b>EXPENDITURE £</b>
<b>Committee members' fees</b>	7,300	7,300	6,906
<b>Travel and subsistence</b>	130	144	142
<b>General Business Expenditure</b>	82	90	89
<b>TOTAL</b>	<b>7,512</b>	<b>7,534</b>	<b>7,137</b>



## 4 INTERNAL AUDIT ACTIVITY 2015/16

### 4.1 Internal Audit Programme 2015/16

Details of the progress in relation to the Internal Audit Programme for 2015/16 are attached at Annex A.

### 4.2 Work completed

Risk Rating Definitions are attached at Annex B. Final Internal Audit reports have been issued in respect of the following assignments:

<b>ASSIGNMENT</b>	<b>AUDIT RATING</b>
Review of Accounts Preparation	Substantial
Review of NIABT	Satisfactory
Review of Support Services	Satisfactory
Review of Members Expenses	Substantial
Review of Social Media	Satisfactory
Review of Post Contract Benefit Realisation	Satisfactory
Review of Accounts Payable	Satisfactory
Review of Payroll	Satisfactory
Review of HR (iTrent)	Satisfactory
Review of Politics Plus	Substantial

In addition, the following assignments were in progress:

<b>ASSIGNMENT</b>
Review of Regional Development Committee: at draft report stage
Corporate Governance: at draft report stage
Review of Members Expenses: fieldwork stage

### **4.3 Key Issues**

Recommendations were made in respect of each of the assignments completed by Internal Audit in order to enhance control / manage risk. The rate of acceptance and implementation of recommendations remains high and has helped to maintain the overall level of assurance at satisfactory.

With the exception of one assignment, the results of the audits carried out in the 2015/16 year were either satisfactory or substantial. Initial assessment of the audit currently under way in one of the Assembly Committees has been determined to be unacceptable. This is because of a key objective not being met and the failure to implement effective financial controls.

As for the previous year, Internal Audit has engaged with PSNI in relation to ongoing investigations, one of which resulted in a recent court hearing.

In addition to the completion of the agreed programme, it is anticipated that Internal Audit will be undertaking additional work in respect of Members' expenses. This work is due for completion by early April 2016.

## **5 NI ASSEMBLY ACCOUNTS 2014/2015**

Based on an examination of the Accounts and the Report to Those Charged with Governance, SARC members, following the SARC meeting on 19 June 2015, recommended that the Clerk/ Chief Executive sign the 2014/15 accounts. SARC members appreciate the work of the Secretariat and NIAO staff involved in delivering the accounts to timetable.

## **6 EVALUATION OF SARC 2015/16**

On 22 March 2016, SARC members completed a self-assessment checklist for 2015/2016 which is attached at Annex C. This indicates the extent to which SARC has complied with its remit.

## **7 SARC PLAN 2016/17**

### **7.1 SARC Key Objectives**

Following the SARC meeting on 16 December 2015, the Secretariat Audit and Risk Committee agreed the following objectives for 2016/2017:

- To ensure the effective implementation of audit recommendations, including External and Internal Quality Assurance recommendations.
- To oversee the handling of key risk areas by the Secretariat to ensure that risk is being appropriately managed and value for money secured.

- To keep under review any risks arising from organisational change programmes, where appropriate, and any issues arising out of the work of the Independent Financial Review Panel.
- To oversee the timely sign-off of the Annual Report and Accounts.
- To promote best practice where possible in the operation of SARC.

## **7.2 SARC Budget**

Details of the SARC budget for 2016/17 are attached at Annex D.

## **8 INTERNAL AUDIT PLAN 2016-17**

A draft Internal Audit plan was considered by SARC on 16 December 2015. SARC members approved the Audit Plan and Strategy on 22 March 2016.

## **9 CONCLUSION**

SARC is satisfied that it has discharged its duties as guided by its Terms of Reference. Given this, and taking into account the work of Internal Audit and the NI Audit Office, and assurances provided to the Committee, SARC is satisfied that it provides sufficient assurance to the Assembly Commission and to the Accounting Officer in the discharge of accountability obligations.

### **MEMBERS OF SARC 2015/16:**

**COLM McKENNA, INDEPENDENT CHAIRPERSON**

**BERNARD MITCHELL, INDEPENDENT MEMBER**

**PETER WEIR MLA, ASSEMBLY COMMISSION REPRESENTATIVE UNTIL 18 MAY 2015**

**PAT RAMSEY MLA, ASSEMBLY COMMISSION REPRESENTATIVE FROM 24 JUNE TO 31 DECEMBER 2015**

**SAM GARDINER MLA, ASSEMBLY COMMISSION REPRESENTATIVE ON 22 MARCH 2016**

## INTERNAL AUDIT PROGRAMME 2015/2016

## PROGRESS REPORT

DIRECTORATE/BUSINESS AREA	RISK SCORE	ASSURANCE	REPORT
<b>Corporate Services</b>			
Review of Accounts Preparation	125	Satisfactory	May 2015
Review of Members' Expenses	145	Substantial	July 2015
Review of Post Contract Benefit Realisation	N/A	Satisfactory	August 2015
Review of Accounts Payable	125	Satisfactory	September 2015
Review of HR (iTrent)	110	Satisfactory	February 2016
Review of Payroll	125	Satisfactory	March 2016
<b>Information &amp; Outreach</b>			
Review of NIABT	105	Satisfactory	May 2015
Review of Social Media	N/A	Satisfactory	August 2015
<b>Facilities</b>			
Review of Support Services	110	Satisfactory	June 2015
<b>Office of the Clerk/DG</b>			
Review of Corporate Governance	N/A	Satisfactory	March 2016 (draft)
<b>Clerking &amp; Reporting</b>			
Review of Politics Plus	N/A	Substantial	February 2016
Review of Regional Development Committee	110	tbc	Report being drafted

<b>FOLLOW-UP AUDITS</b>	<b>ASSURANCE</b>	<b>REPORT</b>
Review of Financial Planning	Satisfactory	May 2015
Review of Justice Committee	Raised to Substantial	June 2015
Review of Official Report	Substantial	August 2015
Review of Information Assurance	Satisfactory	December 2015

## **ASSURANCE DEFINITIONS**

### **SUBSTANTIAL**

There is a robust system of risk management, control and governance which should ensure that objectives are fully achieved.

### **SATISFACTORY**

There is some risk that objectives may not be fully achieved. Some improvements are required to enhance the adequacy and / or effectiveness of risk management, control and governance.

### **LIMITED**

There is considerable risk that the system will fail to meet its objectives. Prompt action is required to improve the adequacy and effectiveness of risk management, control and governance.

### **UNACCEPTABLE**

The system has failed or there is a real and substantial risk that the system will fail to meet its objectives. Urgent action is required to improve the adequacy and effectiveness of risk management, control and governance.

## ANNEX C

### ASSEMBLY SECRETARIAT AUDIT AND RISK COMMITTEE (SARC) ASSESSMENT FOR THE YEAR ENDING 31 MARCH 2016

<b>ROLE</b> <b>Terms of Reference</b>	<b>YES/NO/NA</b>	<b>COMMENT</b>
1. Have all executive responsibilities, and making or endorsing of decisions, been excluded from the roles and responsibilities of SARC members?	YES	
2. Does SARC follow up recommendations regarding its effectiveness?	YES	
3. Does SARC's role include monitoring and reviewing the Secretariat's processes for assessing, reporting and owning business risks and their financial implications?	YES	
4. Have SARC's role and responsibilities been clearly defined and communicated to SARC members, along with details of how SARC supports SMG and the Assembly Commission?	YES	
5. Are SARC's Terms of Reference reviewed at least annually to ensure that the work of SARC is aligned with good practice and business needs?	YES	The terms of reference were reviewed on 8 October 2015
6. Do the Terms of Reference include rules for a quorum?	YES	
7. Does SARC meet regularly (at least four times a year) and do meetings coincide with key dates in the financial reporting and audit cycle?	YES	
<b>MEMBERSHIP, INDEPENDENCE, OBJECTIVITY &amp; UNDERSTANDING</b> <b>Independence</b>		
8. Is the Chair of SARC different from the Chair of the Assembly Commission?	YES	
9. Are SARC members either independent non-executive Board members or independent external members, and have they been appointed for an appropriate period of time (e.g. 3 years)?	YES	One member is from the NI Assembly Commission

<b>Relationship with SMG</b>	<b>YES/NO/NA</b>	<b>COMMENT</b>
10. Are SMG members invited to attend SARC meetings, participate in discussions, and provide information to SARC as and when SARC deems it necessary?	YES	
11. Do the Accounting Officer, Head of Finance, Head of Internal Audit, and the NIAO, routinely attend SARC, or attend at the request of SARC members?	YES	
12. Are the numbers attending SARC meetings sufficient to deal adequately with the agenda, but not too many to blur issues?	YES	
<b>Conflict of Interest</b>		
13. Is an early agenda item at every SARC meeting a request for SARC members to declare any potential conflict of interest with any of the business items on the SARC agenda?	YES	
14. In instances where the conflict of interest is likely to last for a long time, has the SARC member been asked to relinquish his or her membership?	N/A	Not an issue to date
15. Are SARC members required to declare their interests in a register of interests?	YES	
<b>Terms of Appointment</b>		
16. Do all SARC members have a clear understanding of what is expected on them in their role, set out in a letter, including:	YES	
a) their appointment and purpose;	YES	
b) the support and training that they will receive;	YES	
c) the commitment required;	YES	
d) their fee;	YES	
e) conflict of interest procedures;	YES	
f) expected conduct;	YES	



Terms of Appointment (continued)	YES/NO/NA	COMMENT
g) duration of appointment and how often it may be renewed;	YES	
h) how their individual performance will be appraised, including a clear understanding of what would be regarded as unsatisfactory performance;	YES	
i) termination conditions?	YES	
<b>SKILLS</b> <b>Range of Skills</b>		
17. Are there formal assessment criteria for the appointment of the SARC Chair?	YES	
18. Are there formal assessment criteria for the appointment of the SARC Independent member?	YES	
19. Within 6 months of appointment, do the SARC Chair and Independent Member have an: a) understanding of the objectives of the organisation and current significant issues for the organisation?	YES	
b) understanding of the organisation's structure, including key relationships;	YES	
c) understanding of the organisation's culture;	YES	
d) understanding of any relevant legislation or other rules governing the organisation; and	YES	
e) broad understanding of the government environment, particularly accountability structures and current major initiatives?	YES	
20. Does SARC ensure that there are areas of collective understanding, including: a) accountancy – with at least one member having recent and relevant financial experience;	YES	
b) governance, assurance and risk management;	YES	
c) audit;	YES	

<b>Range of Skills (continued)</b>	<b>YES/NO/NA</b>	<b>COMMENT</b>
d) technical or specialist issues pertinent to the Secretariat's business;	YES	
e) experience of managing similar sized organisations;	YES	
f) understanding of the wider environments in which the Secretariat operates;	YES	
g) detailed understanding of the government environment and accountability structures?	YES	
<b>Additional Skills</b>		
21. Do SARC members feel empowered to:		
a) co-opt members for a period of less than 1 year to provide specialist skills that the members do not have to be an effective Committee;	YES	
b) procure specialist advice at reasonable approved expense to the organisation on an ad hoc basis to support them in relation to particular pieces of Committee business?	YES	
<b>Training and Development</b>		
22. Is there an induction checklist for new SARC members that details key things that they must do e.g. visits to important business areas, meeting with the Commission, Risk owners, Internal Auditors and NIAO?	YES	
23. Are all new SARC members offered an induction training course?	YES	
24. Does SARC ensure that new members have sufficient knowledge of the business to identify the key risk areas and to challenge both line management and internal and external auditors on critical and sensitive issues?	YES	
25. Does SARC make recommendations on the Committee's and individual members' training needs, the cost of which is met by the Secretariat?	YES	

<b>Training and Development (continued)</b>	<b>YES/NO/NA</b>	<b>COMMENT</b>
26. Does SARC keep abreast of best practice and developments in corporate governance in central government and more widely?	YES	
<b>SCOPE OF WORK</b> <b>Relationship with Internal Audit</b>		
27. Does SARC consider the independence and effectiveness of Internal Audit?	YES	
28. Does SARC consider that the experience, expertise and professional standard of the Internal Audit team are appropriate for the size, complexity and inherent risk of the organisation?	YES	
29. Does SARC consider that the scope of Internal Audit work, the available resources at its disposal and its access to information and people allow it to address significant risks within the Secretariat?	YES	
30. Does SARC approve and review the Internal Audit plan before Internal Audit commences any work and make suggestions regarding risk and problem areas that the audit could address in the short and long term?	YES	
31. Does SARC receive regular progress reports on reviews undertaken by Internal Audit?	YES	
32. Does SARC review Internal Audit reports and management responses to issues raised, and monitor the progress made on Internal Audit's recommendations?	YES	
<b>Relationship with External Auditors</b>		
33. Where relevant, does SARC consider the independence, objectivity and effectiveness of the External Auditors?	YES	
34. Does SARC periodically obtain the views of the External Auditor on the work and effectiveness of SARC?	YES	
35. Does SARC consider the External Auditor's Audit Strategy before External Audit commences work and make suggestions regarding risk and problem areas that the audit could address in the short and long term?	YES	

<b>Relationship with External Auditors (continued)</b>	<b>YES/NO/NA</b>	<b>COMMENT</b>
36. Do the External Auditors inform SARC of key developments and issues at key stages of the audit?	YES	
37. Does SARC consider the management letter and other relevant reports and the management response, and monitor the progress made on the recommendations?	YES	
<b>Relationship between Internal and External Auditors</b>		
38. Does SARC consider that there is an effective working relationship between Internal and External Audit?	YES	
<b>Fraud</b>		
39. Does SARC consider whether effective anti-fraud and corruption policies and procedures are in place and operating effectively?	YES	
40. Does SARC consider whether management arrangements for whistleblowing are satisfactory?	YES	
<b>Internal Control</b>		
41. Does SARC consider whether corporate governance is embedded throughout the Secretariat rather than treated as a compliance exercise?	YES	
42. Does SARC consider whether the system of internal reporting gives early warning of control failures and emerging risks?	YES	
43. Does SARC consider whether the Governance Statement is sufficiently comprehensive and meaningful, and the evidence that underpins it?	YES	
44. Does SARC satisfy itself that the system of internal control has operated effectively throughout the reporting period?	YES	
45. Does SARC monitor Secretariat procedures for identifying and managing business and reputational risk?	YES	

<b>Financial Reporting</b>	<b>YES/NO/NA</b>	<b>COMMENT</b>
46. Does SARC review the first draft of the annual accounts before the External Auditors start work on them?	YES	
47. Before the Accounting Officer signs off the Annual Report and Financial Statements, does SARC consider:		
a) that accounting policies in place comply with relevant requirements, particularly FReM;	YES	
b) that there has been a robust process in preparing the accounts and annual report;	YES	
c) whether the accounts and annual report have been subjected to sufficient review by management and the Accounting Officer and/or Commission;	YES	
d) that when new or novel accounting treatments arise, whether appropriate advice on accounting treatment has been taken;	YES	
e) whether there is an appropriate anti-fraud policy in place and whether losses are suitably recorded;	YES	
f) whether suitable processes are in place to ensure accurate financial records are kept;	YES	
g) whether suitable processes are in place to ensure regularity and propriety are achieved; and	YES	
h) whether issues raised by the External Auditors have been given appropriate attention?	YES	
48. Where the accounts have been qualified, does SARC consider the action taken by SMG / Assembly Commission to deal with the causes of qualification?	YES	Excess vote from Members' pension liabilities: all avenues explored
49. Does SARC satisfy itself that the annual financial statements represent fairly the financial position of the Secretariat, regardless of the pressures on SMG?	YES	
<b>COMMUNICATION Reporting to the Board</b>		
50. Is the Commission kept aware of the work of SARC?	YES	Minutes are sent to Commission members
51. Does SARC provide an Annual Report to the Assembly Commission, timed to support the preparation of the Governance Statement?	YES	

Reporting to the Board (continued)	YES/NO/NA	COMMENT
52. Does SARC's Annual Report present SARC's opinion about: a) the comprehensiveness of assurances in meeting the Commission's and Accounting Officer's needs;	YES	
b) the reliability and integrity of these assurances;	YES	
c) whether the assurance available is sufficient to support the Commission and Accounting Officer in their decisions taken and their accountability obligations;	YES	
d) the implication of these assurances for the overall management of risk;	YES	
e) any issues SARC considers pertinent to the Governance Statement and any long-term issues SARC thinks the Commission and/or Accounting Officer should give attention to;	YES	
f) financial reporting for the year;	YES	
g) the quality of both Internal and External Audit and their approach to their responsibilities; and	YES	
h) SARC's view of its own effectiveness, including advice on ways in which it considers it needs to be strengthened or developed?	YES	
<b>THE ROLE OF THE CHAIR</b> <b>Agenda setting</b>		
53. Is the Commission's Secretary different from the SARC Secretary?	YES	
54. Does the SARC Chair consult with the SARC Secretary before every meeting to discuss and agree the business for the meeting?	YES	
55. Are agenda items formally requested in advance from SARC members and attendees?	YES	
56. Are outline agendas planned one year ahead to cover core activities and specific issues on a cyclical basis?	YES	

<b>Agenda setting (continued)</b>	<b>YES/NO/NA</b>	<b>COMMENT</b>
57. Does the agenda exclude SMG business, so that there is no overlap with the work of the Commission whilst linking to the main elements of the Secretariat's business?	YES	
58. Are the meetings set for a length of time which allows all business to be conducted, yet not so long that the meeting becomes ineffective?	YES	
59. Does the Chair encourage full and open discussion and invite questions at SARC meetings?	YES	
<b>Communication</b>		
60. Does the SARC Chair have open lines of communication with the Assembly Commission, SMG, Head of Internal Audit and the External Auditors?	YES	SARC Chair attends Commission meetings
61. Does the Chair encourage all SARC members to have regular interface with the Secretariat and its activities to help them understand the Secretariat, its objectives and business needs and priorities?	YES	Directors attend SARC on rolling programme basis
62. Do reports to SARC communicate relevant information at the right frequency, time and in a format that is effective?	YES	
63. Does SARC direct the format and content of the papers to be presented to SARC?	YES	
<b>Monitoring Actions</b>		
64. Does the SARC Chair or the Governance Officer ensure that all action points from SARC meetings are appropriately acted upon?	YES	
65. Does the SARC Chair or the Secretariat ensure that members who have missed a meeting are appropriately briefed on the business conducted in their absence?	YES	
66. Are matters arising discussed and minuted at SARC's next meeting?	YES	
<b>Appraisal</b>		
67. Does the SARC Chair ensure that the SARC Independent member is provided with an appropriate appraisal of their performance as a SARC member?	YES	

<b>Appraisal (continued)</b>	<b>YES/NO/NA</b>	<b>COMMENT</b>
68. Does the SARC Chair seek appraisal of their personal performance from the Accounting Officer / Speaker?	YES	
69. Are SARC meetings well attended, with records of attendance maintained and reviewed annually?	YES	
<b>SARC SUPPORT</b>		
70. Does the SARC Secretariat commission papers as necessary to support agenda items?	YES	
71. Does the SARC Secretariat circulate meeting documents to all SARC members, Internal Audit and NIAO in good time before each meeting to allow members time to study and understand the information, e.g. at least one week before the meeting?	YES	
72. Does the SARC Secretariat arrange for Directors / senior management to be available as necessary to discuss specific agenda items with SARC during meetings?	YES	
73. Does the SARC Secretariat keep records of all meetings, and minutes after they have been approved by the SARC Chair and circulate them to SARC members, Head of Internal Audit, NIAO, SMG, Commission members and the Accounting Officer on a timely basis?	YES	
74. Does the SARC Secretariat ask for confirmation that the minutes are a true and fair representation of the summary of the business taken by SARC?	YES	
75. Does the SARC Secretariat ensure that the minutes / action points clearly state all agreed actions, the responsible owner, and when the actions will be completed?	YES	
76. Does the SARC Secretariat ensure that action points are being taken forward between meetings?	YES	
77. Does the SARC Secretariat support the Chair in the preparation of SARC reports to the Assembly Commission?	YES	
78. Does the SARC Secretariat facilitate the Chair's meetings with the Accounting Officer, the Head of Internal Audit, NIAO and the Speaker?	YES	



<b>SARC SUPPORT (continued)</b>	<b>YES/NO/NA</b>	<b>COMMENT</b>
79. Does the SARC Secretariat keep the Chair and members in touch with developments and relevant background information about developments in the Secretariat?	YES	
80. Does the SARC Secretariat maintain a record of when members' terms of appointment are due for renewal or termination?	YES	
81. Does the SARC Secretariat ensure that appropriate appointment processes are initiated when required?	YES	
<b>CONCLUSIONS</b>		
Does SARC support effectively the Assembly Commission and the Accounting Officer by reviewing the comprehensiveness of assurances to satisfy their needs, and by reviewing the reliability and integrity of these assurances?	YES	
Is SARC suitably independent and objective, and does each member have a good understanding of the objectives, priorities and risks of the organisation, and of their role on SARC?	YES	
Does SARC contain or have at its disposal an appropriate mix of skills to perform its functions well?	YES	
Is the scope of SARC suitably defined, and does it encompass all the assurance needs of the Board and the Accounting Officer?	YES	
Does SARC engage effectively with Financial and Performance Reporting issues, and with the work of internal and external audit? And does SARC communicate effectively with the Accounting Officer, the Assembly Commission and other stakeholders?	YES	
Is SARC appropriately resourced, work planned in advance as far as possible, and effective communication with stakeholders maintained?	YES	
Does SARC receive appropriate support from the Secretariat?	YES	
<b>ENHANCING SARC</b>		
What do we need to do to enhance SARC?	Keep abreast of developments in Corporate Governance, audit and accounting.	

**NI AUDIT OFFICE COMMENTS ON THE PERFORMANCE / EFFECTIVENESS OF SARC**

NIAO has not assessed the effectiveness of SARC. However, through attendance at the meetings, it is evident that assurances are being provided to the Accounting Officer.

**ANNEX D****SECRETARIAT AUDIT AND RISK COMMITTEE  
BUDGET 2016/2017**

<b>BUDGET HEADING</b>	<b>AMOUNT (£)</b>
<b>Committee members' fees</b>	<b>£7,300</b>
<b>Travel and Subsistence</b>	<b>£144</b>
<b>General Business Expenditure</b>	<b>£90</b>
<b>TOTAL (excluding fees)</b>	<b>£234</b>