

SECRETARIAT AUDIT AND RISK COMMITTEE (SARC)

**Wednesday 18 May 2022 at 2.00 pm
Long Gallery, Parliament Buildings**

Present: Edward Lord, Chairperson
Maurice Keady, Independent Member
Trevor Clarke, MLA

In Attendance: Lesley Hogg, Clerk/Chief Executive
Tara Caul, Director of Legal, Governance and
Research Services
Gareth McGrath, Director of Parliamentary Services
Richard Stewart, Director of Corporate Services
Eddie Kelly, Acting Head of Internal Audit
Paula McClintock, Head of Finance
Suzanne Walsh, Northern Ireland Audit Office
Alison Stafford, Northern Ireland Audit Office
Donna-Marie Clark, Data Protection and Governance
Officer

The Chairperson, Edward Lord, commenced the meeting at 2.00pm by way of introduction and formally welcomed all those in attendance. In particular, Edward welcomed the incoming Independent Member Dr Maurice Keady and the new Assembly Commission representative Trevor Clarke.

1. Apologies

No Apologies were received.

2. Declaration of Interests

No interests were declared.

3. Minutes of Previous Meeting

Edward noted that the minutes of the previous meeting, held on 9 February 2022, had been agreed by correspondence by the outgoing Assembly Commission representative John O'Dowd MLA.

Edward recorded SARC's thanks to John O'Dowd for his contribution and commitment to SARC throughout his term of office.

SARC approved the draft minutes.

4. Matters Arising

Edward congratulated Eddie Kelly on his new role and thanked him for his long service with the Assembly Commission and the help and advice he had provided to SARC during this time.

5. Internal Audit End of Year Report/Assurance

Eddie provided a summary of the Internal Audit Annual Report 2021-22.

Eddie stated that between 1 April 2021 and 31 March 2022, 13 final reports had been issued, of which eight resulted in substantial assurance and five satisfactory assurance. He added that of the eight follow-up reviews carried out, three retained substantial assurance, three had been raised to substantial assurance and two remained at satisfactory assurance.

In addition, Eddie noted that a further follow-up report on the Review of Broadcasting Infrastructure, which had been highlighted in last year's Annual Report because of its limited assurance rating, had been issued in April 2022, which raised the assurance to substantial.

Eddie advised that throughout the year, Internal Audit had been suitably resourced to deliver its planned workload and that there had been no impairments to its independence. He concluded that on the basis of the work carried out by Internal Audit, he had provided Satisfactory Assurance for 2021-22, and that this could be used to inform the Governance Statement

SARC noted the Internal Audit End of Year Report and the Satisfactory Assurance provided.

6. Internal Audit Strategy 2020/21-2022/23 Year 3 Review and Internal Audit Plan 2022-23

Eddie noted that 2022-23 was the final year of the Internal Audit Strategy. He advised that the Strategy had been reviewed as part of the annual planning process; that it had informed the development of the 2022-23 Annual Plan; and that both documents had been approved by SMG. Eddie added that the Strategy provided good coverage over the three-year cycle and a firm basis for the provision of assurance.

Edward sought confirmation that sufficient resources would be put in place to deliver the Internal Audit Plan for 2022/23 and was advised that SMG would be considering the resources required at its June meeting.

SARC noted the Internal Audit Strategy 2020/21-2022/23 Year 3 Review and the Internal Audit Plan for 2022-23.

7. Audit Recommendations Schedule

Eddie summarised the status of the outstanding audit recommendations and noted that there were no particular risks arising from the overdue actions.

Edward sought and received confirmation from senior management, that it was content with the action status position outlined in the schedule.

SARC noted that two of the overdue recommendations had been progressed as far as possible, with the remaining actions outside the control of the Assembly Commission.

SARC noted the update on the Audit Recommendations Schedule.

8. Draft Annual Report and Accounts for the Year Ended 31 March 2022

Lesley Hogg noted that, due to the fact that the valuation figures from the Government Actuary's Department (GAD) were required as at the end of 31 March, there was always a very tight turnaround to get these in time for the preparation of the accounts.

Lesley explained that the final figures had only been received late the previous day, and that it had therefore not been possible to incorporate the GAD figures into the accounts in time for the SARC meeting. She added that as the valuation impacted the outturn figures, it had likewise not been possible to produce the figures in the accounts until the GAD figures were posted and reconciled.

Lesley stated that, while SARC had been provided with the initial draft of the word document with the Annual Report sections largely incorporated, given the tight turnaround for preparation, the document had not yet been reviewed by Directors or herself as the Accounting Officer and therefore was subject to change.

Paula McClintock agreed to set up a virtual meeting to discuss the draft financial statements once they had been finalised.

Edward asked if there were any major issues that SARC should be made aware of at this time.

Paula confirmed that there were not and that an interim audit had been carried out by the Northern Ireland Audit Office (NIAO) with only one minor recommendation made. Paula also noted that detailed budgets and forecasts were reported to SMG on a monthly basis and that the figures were in line with the forecast.

SARC to review the draft financial statements by virtual meeting once finalised.

9. NIAO Update on the Audit of Financial Statements for the Year Ended 31 March 2022

Suzanne Walsh noted that the NIAO had completed its interim audit with no significant findings and that the recommendation made might be revised as the guidance had since changed. She confirmed that the year-end audit was underway and that information was flowing well.

SARC noted the NIAO update on the Audit of 2021-22 Financial Statements.

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

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

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

11. Risk Management Self-Assessment Action Plan Monitoring

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

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

12. Fraud and Bribery Self-Assessment Checklist- Action Plan Monitoring

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

Paula confirmed that the Finance Office had the resources to address the relevant action points moving forward.

SARC noted the Fraud and Bribery Self-Assessment Action Plan Monitoring

13. Corporate Risk Register (CRR)

Donna-Marie presented CRR for March 2022 and highlighted the changes from the December 2021 version.

SARC noted the Corporate Risk Register.

14. Directorate Risk Registers (DRR)

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

SARC noted the Directorate Risk Registers and the risk cluster analysis.

15. Stewardship Statements

Directors presented their Stewardship Statements.

Tara Caul noted that her Stewardship Statement for the Legal Services, Governance and Research Services Directorate predated the departure of the Acting Head of Internal Audit and that this had therefore not been reflected.

SARC noted the Stewardship Statements.

16. SARC Annual Report and Self-Assessment

Edward presented the draft SARC Annual Report and Self-Assessment and noted that they provided a fair summary of SARC's work for the year.

SARC approved its Annual Report and Self-Assessment for presentation to the Assembly Commission.

17. Key Guidance from the Department of Finance

Donna-Marie noted that two Finance Director and three Dear Accounting Officer letters had been received from the Department of Finance since the last SARC meeting, most of which related to the financial year end.

Richard advised that he had reviewed the guidance issued and that there was nothing that needed to be drawn to the attention of SARC.

SARC noted the key guidance that had been issued by the Department of Finance since the last SARC meeting.

17. AOB

Edward noted that it was good practice for SARC to have a private meeting with the NIAO, on an annual basis.

18. Date of Next Meeting

The date of next meeting was set for 22 June 2022 via Teams.

The meeting ended at 2.45 pm.