

Assembly Commission Audit and Risk Committee (ACARC)

**Wednesday 12 October 2022 at 2.00 pm
Room 106**

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
Gareth McGrath, Director of Parliamentary Services
Paula McClintock, Head of Finance
Anna Taggart, Northern Ireland Audit Office (NIAO)
Donna-Marie Clark, Data Protection and Governance Officer
Karl Hedley, Information Standards Clerical Supervisor

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

1. Apologies

There were no apologies.

2. Declaration of Interests

No interests were declared.

3. Minutes of Previous Meeting

The minutes of the previous meeting, held on 22 June 2022, were agreed.

4. Matters Arising

Lesley Hogg noted that the Assembly Commission had approved the change in name from the Secretariat Audit and Risk Committee (SARC) to ACARC, at its meeting on 28 June 2022.

5. Delivery of the Internal Audit Function

Tara Caul presented the paper on the Delivery of the Internal Audit Function and advised that a decision had been made by the Senior Management Team (SMT) at its meeting on 5 August 2022, to outsource the Internal Audit function to an external service provider.

Lesley Hogg stated that a tender for the procurement of internal audit services was being prepared and that ACARC would be consulted on the tender specification in due course.

ACARC considered and noted the change in delivery of future internal audit services.

6. Internal Audit Activity / Assurance

Tara presented the paper on Internal Audit Activity and Assurance. She advised of the Internal Audit reports that had been finalised since the previous ACARC meeting, following the inclusion of management responses, and noted that the former acting Head of Internal Audit had overseen the substantive work.

Edward asked Lesley, as Accounting Officer, if she had any concerns regarding a lack of audit assurance in the current absence of a functioning Internal Audit unit, and the fact that the full programme of work would not be delivered. Lesley stated that she had no particular concerns at this time, as the intended programme for the period predominantly consisted of value-added activities rather than controls-based audits. Lesley informed ACARC that when the contract was awarded, priority would be given to control-based audits and areas of perceived higher risk.

Lesley confirmed that she expected a contract to be awarded early in 2023.

Edward asked that a revised work plan for the remaining financial year and the upcoming financial year be presented to ACARC at its next meeting.

ACARC noted the Internal Audit reports that had been issued since the previous meeting.

7. Outstanding Audit Recommendations Schedule

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

ACARC noted the Outstanding Audit Recommendations Schedule.

8. Final Report to Those Charged with Governance

Anna Taggart presented the Final Report to Those Charged with Governance and stated that the Report remained relatively unchanged since the previous draft, with no significant risks or findings of concern. She noted that an adjustment had been made to the Accounts for 2021/22, as per the memo at agenda item 15.

Paula McClintock confirmed that the Finance team had carried out a review of internal procedures and agreed to send year end information to the NIAO at the same time as the Government Actuary's Department, going forward.

Anna advised that management responses to the recommendations had now been included in the Report, two of which were complete and a third, regarding the useful life of assets, was likely to be completed in December.

Edward asked if the NIAO had any concerns regarding the current lack of an Internal Audit function.

Anna advised that the NIAO did not place substantial reliance on Internal Audit reports, although they were read. She added that it was likely that the NIAO would comment if there was any delay in securing the external contract.

Anna confirmed that the NIAO would meet with Richard Stewart and Paula in December 2022 to discuss the Audit Strategy for 2022/23, which would then be presented to ACARC at its next meeting.

Anna thanked Richard, Paula and the Finance team for their assistance with the audit.

ACARC noted the Final Report to Those Charged with Governance.

9. Corporate Risk Register (CRR)

Donna-Marie presented the CRR for September 2022 and highlighted the changes from the June 2022 version.

Edward asked if there were any other risks to be added to the CRR.

Lesley confirmed that there were no other risks to be added at this time, but that SMT would continue to monitor the political environment and any potential impact on the Assembly Commission's budget.

ACARC noted the CRR.

10. Stewardship Statements

Directors presented their Stewardship Statements. Lesley advised that she would respond to any queries on the Corporate Services Stewardship Statement in Richard's absence.

Tara noted that since completing her Stewardship Statement for the Legal, Governance and Research Services Directorate, a Head of Procurement had been appointed and that the recruitment of a Procurement Manager was due to commence shortly.

Edward queried the additional staffing requirements regarding Records Management.

Tara confirmed that the current information management system in the Assembly Commission operated effectively, but was paper based. She advised that the reference to the need for additional staff resources related to the future implementation of a new electronic information management system, and that the issue would be considered with SMT in due course.

Gareth McGrath confirmed that Parliamentary Services continued to experience issues recruiting and retaining IS Office staff, as with staff in the Finance Office, primarily due to salary levels, and that salary issues were expected to be resolved following the Pay Benchmarking report, due to be completed by December 2022. Both Gareth and Paula confirmed that the preparation work for recruitment competitions in the Finance and IS Offices had been completed.

Edward asked for an update on the status of Pay Benchmarking at the next meeting.

ACARC noted the Stewardship Statements.

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

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

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

12. 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.

13. 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.

14. Key Guidance from the Department of Finance

Paula noted that two Dear Accounting Officer (DAO) letters had been received from the Department of Finance since the last ACARC meeting and advised that DAO (DoF) 05/22 did not apply to the Assembly Commission.

Donna-Marie confirmed that the Head of Procurement had advised that the Assembly Commission's Procurement Policy and Procedures reflected the content of DAO (DoF) 06 22.

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

15. Papers issued via Correspondence

Paula stated that the Memo regarding an Adjustment to the Annual Report and Resource Accounts 2021/22 had already been discussed under the NIAO Final Report to Those Charged with Governance.

ACARC noted the memo issued via correspondence.

16. AOB

None.

17. Date of Next Meeting

The date of next meeting to be confirmed for February 2023.

The meeting ended at 2.40 pm.