

## SECRETARIAT AUDIT AND RISK COMMITTEE (SARC)

Wednesday 9 February 2022 at 1.15 pm  
Long Gallery, Parliament Buildings

**Present:** Edward Lord, Chairperson  
John O'Dowd, 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  
Paula McClintock, Head of Finance  
Eddie Kelly, Acting Head of Internal Audit  
Donna-Marie Clark, Data Protection and Governance  
Officer  
Karl Hedley, Clerical Supervisor

The incoming Chairperson, Edward Lord, commenced the meeting at 1.15pm by way of introduction and formally welcomed all those in attendance. Edward also noted that a new recruitment competition for an Independent Member was ongoing.

### **1. Agenda**

No additional items to be heard.

### **2. Apologies**

Apologies were later received for Kathy Doey of the NIAO.

### **3. Declaration of Interests**

No interests were declared.

### **4. Minutes of Previous Meeting**

Edward noted that the minutes of the previous meeting, held on 13 October 2021, had been agreed by correspondence by the outgoing SARC.

### **5. Matters Arising**

Edward sought an update on the following matters that had been noted in the minutes of the previous meeting:

- i. Internal Audit Activity Report: Corporate Procurement Cards  
Eddie Kelly confirmed that the revised Procurement Card Policy had been issued in October 2021.

- ii. Information Systems (IS) Office Staffing  
Gareth McGrath outlined that the recruitment in respect of eight vacancies in the IS Office had been paused, pending the outcome of the Grading and Pay Benchmarking Review which was ongoing. He confirmed that essential services were being maintained.
- iii. Progress of Retention and Disposal Schedule, Records Management Policy  
Tara Caul noted that the Retention and Disposal Schedule and Records Management Policy and Guidance had been reviewed, and revised versions were expected to be submitted to SMG for consideration on 25 February 2022.
- iv. Homeworking Policy  
Richard Stewart noted that that the Homeworking Policy was being updated following consultation with staff and that it was subject to ongoing negotiation with Trade Union Side.

## **6. Internal Audit Activity Update**

Eddie provided a summary of the reports that had issued since the October 2021 meeting of SARC as follows:

- The Review of Assembly Standing Committees Report, issued in October 2021, provided Substantial assurance and no recommendations were made.
- The Review of Delegated Procurements Report, issued in January 2022, provided Satisfactory assurance and two recommendations were made.
- The Follow up Review of Administration of Mobile Phones concluded that implementation of the three recommendations had been taken forward, but that the review of the Mobile Phone Policy had not yet concluded.
- The Follow-up Review of Overtime Payments concluded that both of the recommendations made in the previous report had been implemented, and assurance had been updated to Substantial.

Eddie provided an overview of the Internal Audit reviews in progress and advised that no cases of whistleblowing or fraud had been reported to Internal Audit since the last meeting.

Overall, Eddie reported that the level of assurance for the year was Satisfactory.

Edward sought confirmation that the audit programme for the year was on track and would be completed. Eddie confirmed that this was the case.

Edward requested that going forward, the Internal Audit Plan Update table include dates on when the review happened and when the reports issued.

**SARC noted the Internal Audit Activity Report.**

**7. Audit Recommendations Schedule**

Eddie summarised the status of the outstanding audit recommendations.

Edward asked if senior management was content with target dates outlined in the schedule.

Lesley Hogg confirmed that the status updates provided the current anticipated implementation dates.

**SARC noted the update on the Audit Recommendations Schedule.**

**8. Draft SARC Objectives 2022-23**

**SARC agreed the draft SARC Objectives 2022-23.**

**9. SARC Terms of Reference (Annual Review)**

Donna-Marie Clark presented the proposed revised SARC Terms of Reference, which had been updated following a review and comparison against the HM Treasury Audit Committee Handbook 2018 (the Handbook), and highlighted the proposed changes.

Edward stated that the Handbook indicated the minimum expectations for audit and risk committees, and that the Assembly Commission might wish to make further additions in future.

**SARC agreed to rename SARC to ACARC, subject to Assembly Commission approval. SARC also agreed the Terms of Reference, for presentation to the Assembly Commission for approval.**

**10. NIAO Audit Strategy for the year ending March 2022**

Edward raised a concern regarding the timeframe set out in the NIAO Audit Strategy for SARC's consideration of the Assembly Commission's financial statements, following clearance by the NIAO. Paula noted that there was an error in the timetable. It was agreed that she would propose to the NIAO that they be considered at a SARC meeting on 23 June 2022.

**SARC noted the NIAO Audit Strategy, subject to a review of the Audit Timetable.**

**11. National Fraud Initiative (NFI)**

Paula outlined that the NFI exercise had only highlighted a small number of high risk data matches; that each of these had been investigated, along with a random sample of low risk matches; and that no fraud issues had been identified.

**SARC noted the Update on Biennial National Fraud Initiative Exercise.**

**12. Corporate Risk Register (CRR)**

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

Edward queried what additional risks, if any, the present period of political instability presented to the Assembly Commission and its work, including budgets.

The relevant provisions of the Northern Ireland Act 1998 (the 1998 Act) and the implications of the Northern Ireland (Ministers, Elections and Petitions of Concern) Act 2022, which had received Royal Assent on 8 February 2022, were outlined.

It was confirmed that, although the First Minister and deputy First Minister had ceased to hold office, the Assembly and the Assembly Commission would continue to carry out business as usual until dissolution.

It was also noted that the Assembly Commission is the corporate body of the Assembly under section 40(4) of the 1998 Act, to provide the Assembly with the property, staff and services required for the Assembly to carry out its work.

Richard advised that no risks associated with the Assembly Commission's budget had yet materialised. He outlined that there was a process which could be utilised under the 1998 Act, for the authorisation of certain sums by the Department of Finance, if Budget Acts were not passed. Richard explained that the process had been utilised before when the Executive was not in place. He said that the issue would be kept under review and the CRR updated, if necessary.

**SARC noted the Corporate Risk Register.**

**13. Biennial Review of Fraud and Bribery Self-Assessment Checklist and Action Plan**

**SARC noted the Biennial Review of the Fraud and Bribery Self-Assessment Checklist, Bribery Risk Assessment and Action Plan, which had taken place in November 2021.**

**14. Biennial Review of Risk Management Self-Assessment Checklist and Action Plan**

Donna-Marie provided an overview of the changes which had been made, following the review of the Risk Management Self-Assessment Checklist in November 2021.

Tara noted that tailored risk management training was being finalised.

**SARC noted the Biennial Review of the Risk Management Self-Assessment Checklist and Action Plan.**

**15. National Audit Office (NAO) Cyber Security and Information Risk Self-Assessment Checklist Action Plan Monitoring**

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

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

**16. Key Guidance from the Department of Finance**

Richard advised that he had reviewed the key guidance from the Department of Finance 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.**

**17. AOB**

Edward noted that it was good practice for SARC to have private sessions with the Head of Internal Audit and the external audit manager, on an annual basis.

**18. Date of Next Meeting**

The date of next meeting was provisionally set for 18 May 2022.

**The meeting ended at 2 pm.**