



**Northern Ireland
Assembly**

AUDIT COMMITTEE

MINUTES OF PROCEEDINGS

**WEDNESDAY 30 NOVEMBER 2016, ROOM 21, PARLIAMENT BUILDINGS,
BALLYMISCAW, STORMONT**

Present: John O'Dowd MLA, Chairperson
Kellie Armstrong MLA, Deputy Chairperson
Jo-Anne Dobson MLA
David Hilditch MLA

In Attendance: Shane McAteer, Assembly Clerk
Keith McBride, Senior Assistant Assembly Clerk
Clairita Frazer, Assistant Assembly Clerk
Alison Ferguson, Clerical Officer

Apologies: Claire Hanna MLA

The meeting commenced at 10am in open session.

Agreed: that agenda items 5 & 6 are recorded by Hansard.

Agreed: that agenda items 7 & 8 would be held in closed session given that this will include discussion of an individual's salary arrangements and sensitive correspondence.

1. Apologies.

As detailed above.

2. Declaration of Interests.

Members noted that they are obliged to declare any relevant financial or other interests before and during each Committee meeting.

3. Draft Minutes of meeting held on 26 October 2016.

The draft minutes of the meeting held on 26 October 2016 were agreed and will be published on the Committee website.

4. Matters Arising.

Members noted correspondence from the Minister of Finance in response to the Committee's position on the 2017-18 budget plans for the Northern Ireland Audit Office (NIAO), Northern Ireland Assembly Commission (NIAC) and Northern Ireland Public Services Ombudsman (NIPSO).

Agreed: to copy the correspondence from the Minister of Finance to NIAO, NIAC and NIPSO for information.

5. NIAO evidence session on the Terms of Reference for Value-for-Money Study and update on final 2017-18 Budget position.

The Chairperson welcomed the following NIAO officials to the meeting:

- Kieran Donnelly, Comptroller & Auditor General (C&AG);
- Janet Sides, Assistant Auditor General, NIAO; and
- Brandon McMaster, Audit Manager, NIAO.

The session was recorded by Hansard.

The Committee questioned the witnesses on the draft Terms of Reference (ToR) for a Value-for-Money (VFM) Study by the NIAO's external auditors and on NIAO's final 2017-18 Budget position.

Members noted an assurance from the NIAO officials that the benchmarking of staff resources provided for in the VFM Study would provide a comparison of the numbers of staff at various grades.

Agreed: that the C&AG will provide the Committee with a copy of the report on the 'Review of Top Management Structure' when completed at the end of January 2017.

The Committee noted the revised NIAO budget figures for Ring-fenced Departmental Expenditure Limit (DEL) and Annually Managed Expenditure (AME) which was £225K and -£18K respectively, as compared to the previously indicated figures of £205K and -£19K respectively. The NIAO officials provided members with an explanation of the differences in the figures provided.

Joanne Dobson joined the meeting at 10.11am and declared an interest as the sister-in-law of Janet Sides, Assistant Auditor General, NIAO, who was presenting to the Committee for this agenda item.

Agreed: that, in light of the amended ToR and subsequent assurances from NIAO officials, the Committee is content to agree the ToR for the VFM Study to enable the external auditors to undertake the study during December 2016 and January 2017.

Agreed: that the Committee is agreed, in principle, that a further VFM study, looking at the operational effectiveness of the NIAO business model and associated processes following the

outcome of the ongoing 'Review of the Top Management Structure', should proceed later in 2017, subject to agreeing the ToR for that study.

Agreed: that the role of the Committee in relation to agreeing the ToR for VFM studies is clarified in the next review of the Memorandum of Understanding (MoU) on the Governance and Accountability Arrangements of NIAO. This review will be added to the agenda for the next Committee meeting.

6. NIPSO evidence session on draft MoU on the Governance and Accountability Arrangements of NIPSO.

The Chairperson welcomed the following NIPSO officials to the meeting:

- Ms Marie Anderson, Northern Ireland Ombudsman;
- Mr John McGinnity, Director of Finance and Corporate Services, NIPSO Office.

The session was recorded by Hansard.

The Committee questioned the witnesses on the draft MoU on the Governance and Accountability Arrangements of NIPSO.

Agreed: that the Committee is content with the MoU as drafted, subject to issues being addressed in a revised version when the document is next reviewed; including provisions in relation to the Committee's in-year scrutiny of NIPSO's performance against business objectives and timeframes for papers and responses to the Committee.

The Committee moved into closed session at 10.31am as previously agreed.

7. Salary Arrangements for the C&AG

The Committee noted an Assembly Research paper on salary arrangements for the C&AG.

Agreed: that draft Terms of Reference for a proposed review of the arrangements for determining the C&AG salary in the future will be brought to the next meeting to inform a Committee decision on whether to proceed with the review. The Committee will also give further consideration, at that stage, to whether a motion should be tabled in the Assembly in relation to the current salary payable to the C&AG.

8. Correspondence

The Committee noted the following items of correspondence:

- 8.1 Correspondence dated 27 October 2016 from the Finance Committee regarding the Draft Budget 2017-18.
- 8.2 Correspondence dated 27 October 2016 from NIAC regarding the use of Northern Ireland Civil Service (NICS) Enterprise Shared Services.

Agreed: that, further to the Committee's previous decision regarding providing feedback on the Commission's decision not to avail of some of the NICS Shared Services, to write to the Assembly Director of Resources recommending that the feedback is provided directly to the Department of Finance by NIAC.

8.3 Correspondence dated 04 November 2016 from NIPSO.

8.4 Correspondence dated 11 November 2016 from the Committee for Finance regarding Monthly Forecast Outturn Data.

8.5 Correspondence dated 15 November 2016 from a 'whistleblower'.

Agreed: that legal advice is sought in relation to the legal status of the correspondence in terms of whistleblowing legislation and any related legal considerations in order to inform the Committee's handling of this correspondence.

8.6 Correspondence dated 18 November 2016 from the Committee for Finance regarding Supply Division, Department of Finance.

9. Any Other Business

There was no other business.

10. Date, Time and Place of Next Meeting

The date and time for the next meeting of the Committee will be notified to members in due course.

The Chairperson adjourned the meeting at 10.47am.

Mr John O'Dowd MLA
Chairperson
Audit Committee
23rd January 2017