



Kieran Donnelly CB
Comptroller & Auditor General

Northern Ireland Audit Office

1 Bradford Court

Upper Galwally

Belfast

BT8 6RB

Direct Line : (028) 9025 1107

Fax : (028) 9025 1051

E-mail : kieran.donnelly@niauditoffice.gov.uk

www.niauditoffice.gov.uk

 [@NIAuditOffice](https://twitter.com/NIAuditOffice)

Mr Daniel McCrossan MLA
Chairperson, Audit Committee
Room 254
Northern Ireland Assembly
Parliament Buildings
Ballymiscaw
Stormont
Belfast
BT4 3XX

27 October 2021

Dear Daniel

Review of the Governance and Accountability Arrangements for the Northern Ireland Audit Office and the Northern Ireland Public Services Ombudsman

I refer to your letter of 30 September 2021 seeking clarification on who performs the challenge/oversight function in respect of the work of the Local Government Auditor (LGA), and details of what that work entails.

In providing clarification on this matter, I believe that this should be considered from two separate and distinct viewpoints:

- the audit judgements made by the LGA; and
- the strategic and operational oversight of the LGA including Quality Control arrangements.

Audit Judgements

Key to the LGA's audit judgements is the principle of independence. This principle also applies to my own role as C&AG and is consistent with each of the other UK public audit bodies. For an individual or a board to have an influence over these processes and judgements would not be appropriate. Therefore neither myself, nor the Advisory Board, has a challenge or oversight function in relation to the audit decision-making processes and audit judgements that are ultimately formed by the LGA.

The strategic and operational oversight of the LGA including quality control arrangements

Turning to the strategic and operational oversight of the LGA's portfolio, the bulk of this work is resourced and performed in-house by NIAO staff, with a small number of audits contracted out. The LGA is responsible for her portfolio but, as a member of NIAO staff, she remains accountable to myself, and the Advisory Board, in its delivery. However, as noted above, her professional audit judgements and opinions are her own.

The practical outworkings of this accountability arrangement includes weekly operational management team meetings and monthly senior management team meetings which deal with strategic matters, including the resourcing, delivery and quality of both central and local government audits.

An important aspect of this is our over-arching quality control review process. It is against this backdrop that we conduct an annual financial audit quality assurance programme. In 2020-21 a representative sample of eight audits, selected across both the central and local government audit portfolios, was independently reviewed. These reviews, which encompass both central government and local government audit, were conducted by external teams.

I hope this provides Members of the Committee with additional clarification of these matters. However, I would be happy to provide further detail or explanation if required.

Yours sincerely.



KIERAN DONNELLY CB
Comptroller and Auditor General



**Northern Ireland
Assembly**

Audit Committee

Room 254
Parliament Buildings
Ballymiscaw
Stormont
Belfast
BT4 3XX
Tel: 028 9052 1843

Email: committee.audit@niassembly.gov.uk

Mr Kieran Donnelly CB
Comptroller and Auditor General

Issued via email to: Kyle.Bingham@niauditoffice.gov.uk

30 September 2021

Dear Kieran

Review of the Governance and Accountability Arrangements for the Northern Ireland Audit Office and the Northern Ireland Public Services Ombudsman

At its meeting on 29 September 2021, the Audit Committee received oral evidence from Colette Kane, Local Government Auditor, and Rodney Allen, Chief Operating Officer, as part of its Review of the Governance and Accountability Arrangements for the Northern Ireland Audit Office and the Northern Ireland Public Services Ombudsman. This evidence session followed the oral evidence provided by you and the Chairperson of the Advisory Board at the Committee meeting on 7 July 2021.

During the 29 September 2021 evidence session, there was some discussion around whether the evidence that was provided to the Committee on 7 July 2021, in relation to who performs the challenge/oversight function in respect of the Local Government Auditor, was consistent with the evidence on the same matter provided by Ms Kane and Mr Allen.

The Committee therefore agreed to seek clarification on who performs the challenge/oversight function in respect of the work of the Local Government Auditor, and details of what that function entails.

The Hansard of the 7 July 2021 evidence session can be found at: [committee-27159.pdf \(niassembly.gov.uk\)](#). The Hansard of the 29 September 2021 evidence session will be available on the Audit Committee webpage on or around 7 October 2021.

Audit Committee
Northern Ireland Assembly
Room 276, Parliament Buildings, Ballymiscaw, Stormont, Belfast, BT4 3XX.
Email: Committee.Audit@niassembly.gov.uk

I would appreciate a response by 28 October 2021.

Yours sincerely

A handwritten signature in black ink, appearing to read 'PP 44 dmcrossan', with a long horizontal flourish extending to the right.

DANIEL MCCROSSAN MLA
Chairperson, Audit Committee