

May 27th 2021

Daniel McCrossan MLA
Chairperson, Audit Committee
Northern Ireland Assembly
Stormont

Dear Mr McCrossan:

Review of the governance and accountability arrangements for the Northern Ireland Audit Office and the Northern Ireland Public Services Ombudsman

Thank you for your email of April 21st 2021. As asked, I am addressing each of the points you raised in the same order:

1. Appointment and membership of the committee:

The Local Government and Social Care Ombudsman (Ombudsman) is supervised by the Commission for Local Administration (Commission) which he chairs. He has appointed three non-officio Advisory Members, ie external non-executives, to the Commission on three-year terms (added to an ex-officio Advisory Member – the Parliamentary and Health Service Ombudsman). The Commission then appoints the audit and risk assurance committee which presently has three members, all of the non-officio Advisory Members.

2. The role and remit of the committee:

The committee advises the Commission and the Accounting Officer – who is the chief executive of the Ombudsman – on the following main subjects:

- Risks identification, assessment and management
- Internal and external auditors and their work
- Financial reporting and its regularity, ie appropriateness
- Controls applied on systems of expenditure and reporting, for probity.

3. The role the committee plays/contribution it makes to the governance and accountability arrangements:

The committee mainly contributes as follows:

(a) It approves the risk register of the Accounting Officer and internal and external auditors' plans. It assures itself of satisfactory delivery of those as well as any consequent recommendations.

(b) It recommends the annual report and account to the Commission for signing.

(c) It offers specific advice to the Accounting Officer and the Commission after each meeting and an annual report to the Commission providing an assessment of audit and control arrangements (including eg whistleblowing).

(d) It collaborates with auditors and other organisations including the sponsor government department and learns from developments in the marketplace to support learning from good-practice examples.

4. A view on whether there is a need to widen/reduce the role or remit of the committee or introduce any further mechanisms to improve governance arrangements/enhance accountability:

The committee's role is appropriate and need not change. The Commission is the main repository of governance and accountability for the Ombudsman. It would be even more effective if the government supported it by timely approval of budgets and business plans, more money and more non-executive/external members with appropriate skills and roles.

5. An assessment of the extent to which the committee fulfils a challenge function as opposed to an advisory one (specific examples to illustrate this would be particularly useful):

The committee can be better at challenge but has recently attempted the following:

- * It asked for accounting policies requiring judgements to be explained with re-examination of value of old technology assets
- * It asked for specific actions based on an internal audit report on bill payments so that policy deviations such as lack of two different people signing were avoided
- * It asked that risks due to dependence on technology and limited money allocation to initial intake of complaints from the public be better articulated and addressed
- * It asked that auditors increase their sample size given the relatively small budget lines to provide greater assurance on regularity and errors in financial reporting
- * It asked for clearer focus on quality of delivery to complainants in performance measurement.

6. Frequency of committee meetings and who is entitled to attend:

The committee meets five times a year at regular intervals. The committee is joined by internal and external auditors, the Accounting Officer, the head of finance and the committee secretary. The Commission chair used to attend but because of strategic considerations has decided that one of his deputies should from now. In addition, for particular items we invite other relevant staff members.

7. Whether minutes of meetings/non-restricted meeting papers are published:

Non-restricted meeting papers and minutes, once approved, are published on the web site.

8. Reporting requirements of the committee:

The committee evaluates its own effectiveness, with help from others such as auditors, annually and reports that to the Commission. Each member is appraised annually by the Commission chair.

Please let me know if you need any other information or if I have misunderstood or not answered a question well enough.

Best wishes

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