

Point 2 :

**Members received a RaISe briefing on the enclosed research paper and would request that the Department provide a response to the scrutiny points relevant to the DoF provisions in the Bill. (Relating to Clauses 1, 18, 19 and 20 – scrutiny points 1-5 & 104-110)**

Under Article 6(4) of the Audit (Northern Ireland) Order 1987, the Department of Finance is legally responsible for appointing an external auditor to the NIAO. It has long been recognised that, in the interests of ensuring the NIAO's independence, the appointment of the external auditor sits more properly with the Assembly rather than with DoF as an executive department. It therefore has been the intention of DoF for some time to progress legislation to transfer the responsibility for appointing the NIAO's external auditor to the Assembly.

This proposal has previously been discussed and agreed with former Audit Committees and NIAO, in 2013 and again in 2017, but unfortunately, it was not possible to bring forward legislation at that time. DoF are now taking forward an Administrative and Financial Provisions Bill, which provides a suitable vehicle for making this change.

Under the existing arrangements the expenses of the external auditor are provided for by the NI Audit Office. This is expected to be the case going forward.

Under the current arrangements, DoF pays for the recruitment/procurement costs of appointing the external auditor. Previously the contract has been awarded for 3 years plus 2 optional 1-year extensions. The costs to DoF of running the procurement exercise is estimated to be £1,300 every 3-5 years. This being the staff costs involved in the appointment