



Northern Ireland
Assembly

Audit Committee
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To: Peter Hall, Clerk, Committee for Finance
From: Ashleigh Mitford, Senior Assistant Clerk, Audit Committee
Date: 17 September 2025
Subject: Northern Ireland Fiscal Council Bill – Second Stage Debate

Dear Peter

Thank you for your memo of 10 July in relation to the Second Stage debate on the Northern Ireland Fiscal Council Bill (the Bill). I note contributions were made on the potential for the Audit Committee to have a role in relation to the Fiscal Council, including setting its budget, given that it has a role in relation to the Northern Ireland Audit Office (NIAO) and other bodies.

As requested, I have set out below details on the Audit Committee's responsibilities and functions in respect of the NIAO, Northern Ireland Public Services Ombudsman (NIPSO) and the Northern Ireland Assembly Commission (NIAC).

Section 66 of the Northern Ireland Act 1998 provides that Assembly Standing Orders make provision for establishing a committee to exercise, in place of the Department of Finance, functions related to the expenses of the NIAO. The Committee also has statutory responsibility for tabling motions in the Assembly in relation to the salary of the Comptroller & Auditor General (C&AG).

The Audit Committee assumed responsibility for agreeing the Estimate for NIPSO in 2016 under the Public Services Ombudsman Act (Northern Ireland) 2016.

The Committee also provides scrutiny and challenge to NIAC expenditure plans (and reports accordingly) however this is not currently in legislation or codified, and the Committee does not agree the Estimate for NIAC. This arrangement was put in place in 2016 when the NIAC and DoF sought to reflect the constitutional independence of the Assembly from the Executive in the budgetary process.

I have attached a table of the Audit Committee's role in relation to NIAO and NIPSO which you will note primarily relates to agreeing Estimates and laying them before the Assembly, and tabling motions for resolution of the Assembly in relation to the salary of the C&AG.

I should highlight that the Audit Committee has a membership of five and a quorum of two and meets less frequently than other Committees (usually monthly) so its capacity would be an

important factor to take into consideration, if an amendment to the Bill is proposed which widens its remit.

For your information, to meet the Committee for Finance’s deadline of 9 October 2025, the Audit Committee will agree a final response to inform the Committee Stage of the Bill at its meeting on 1 October and will not meet again until the end of October. Therefore, should the Committee for Finance wish the Audit Committee to provide its views on any proposal to amend the Bill so that the Audit Committee would have a role in relation to the Fiscal Council, it would be important to have this request as soon as possible and no later than 25 September.

Ashleigh Mitford
Committee Senior Assistant Clerk

Annex

Audit Committee role in relation to C&AG/NIAO and NIPSO

	C&AG/NIAO	NIPSO	Comment
Budget (Estimates)	<p>The Audit Committee is required under s66 of The Northern Ireland Act and s6 of the Audit (NI) Order 1987 to agree the Estimate for NIAO and lay it before the Assembly.</p> <p>S66 of The Northern Ireland Act provides for the establishment of the Audit Committee and that it must have regard to the views of DoF and PAC when agreeing the Estimate for NIAO.</p>	<p>The Audit Committee is required under Schedule 1 of the Public Services Ombudsman Act (Northern Ireland) 2016 to agree the Estimate for NIPSO and lay it before the Assembly.</p> <p>Schedule 1 also provides that Audit Committee must have regard to the views of DoF in agreeing the Estimate for NIPSO.</p>	<p>In order to fulfil these duties effectively (i.e. to agree the Estimates), the Committee considers budget proposals, Annual Reports and Accounts, In Year Monitoring returns and Corporate Plans.</p> <p>The Committee does not however have a role in commenting on the strategic direction or operational performance of the bodies.</p>

Appointments	<p>The C&AG is appointed by Royal Warrant on the nomination of the Assembly and is a Corporation Sole. The motion for resolution is tabled by the Assembly Commission.</p> <p>DoF appoints the C&AG as Accounting Officer for NIAO.</p>	<p>NIPSO is appointed by Royal Warrant on the nomination of the Assembly and is a Corporation Sole. The motion for resolution is tabled by the Assembly Commission.</p> <p>DoF appoints NIPSO as Accounting Officer.</p>	<p>Although the appointment of the C&AG and NIPSO is a responsibility for the Assembly Commission to manage, the Audit Committee has an important relationship with both offices.</p> <p>The Audit Committee Chair has sat on the C&AG recruitment panel in the past. The Committee also has a role in relation to appointments to the NIAO Advisory Board and its Audit and Risk Committee.</p>
Salaries	<p>The Audit Committee is required under the Audit (NI) Order 1987 to table any motion in the Assembly related to the salary of the C&AG.</p>	<p>The Assembly Commission reviews and manages the salary by Order, which is subject to the negative resolution process.</p>	<p>The Audit Committee's role in managing the salary of the C&AG is under review by the Committee.</p> <p>NI Act (s63) requires a recommendation from Minister of Finance as both salaries are paid from the consolidated fund.</p>
Reporting	<p>NIAO Annual Report and Accounts are laid in the Assembly.</p> <p>The C&AG may report to the Assembly the results of any examination carried out by her under Article 8 or 9.</p>	<p>NIPSO Annual Report and Accounts are laid in the Assembly.</p> <p>The Ombudsman must lay before the Assembly annually a general report on the exercise of the Ombudsman's functions (and may lay special reports on</p>	<p>Audit Committee considers these Annual Reports and Accounts to aid effective scrutiny of budget proposals from the bodies but has no scrutiny role in the strategic or operational management of these organisations.</p> <p>The Audit Committee does not consider these reports.</p>

		investigations/other reports)	
Governance	A Memorandum of Understanding (MOU) is in place between the Audit Committee and NIAO/NIPSO. The purpose of the MOUs is to provide assurance to the Assembly in relation to the governance and accountability arrangements of the organisations.		These MOUs are currently being updated.