



HOUSE OF LORDS

HOUSE OF LORDS AUDIT COMMITTEE

Monday 02 November 2020, 4.30pm (Virtual Meeting)

MINUTES

Present: Liz Hewitt (Chair)
John Beckerleg
Lord Fink
Baroness Fritchie
Lord Haskel
Lord MacPherson of Earl's Court

Mathew Duncan, incoming Chair, also attended the meeting.

Officials: Fehintola Akinlose (Finance Director)
Aisha Bi (Governance Support Officer: Risk and Performance)
Sarah Jones (Head of Secretariat)
Ed Ollard (Clerk of the Parliaments)
Jonathan Smith (Head of Finance)
Paul Thompson (Head of Internal Audit)
Damian Brewitt (National Audit Office)
Liz Fox (National Audit Office)
Ioana Stefu (National Audit Office)

- I.1 The Chair informed the Committee that Lord Shutt of Greetland had sadly passed away on Friday 30 October. She paid tribute to the contribution of Lord Shutt to the work of the committee and said he would be much missed. She would write to Lord Shutt's widow on behalf of the Committee.
- I.2 The Chair also paid tribute to the contributions of John Beckerleg and Lord Fink who were departing the Committee at the end of the year. She noted that this was the final House of Lords Audit Committee meeting of the year (a Joint Meeting with the Commons would take place later in the month) and thanked them for their contributions on the Committee.
- I.3 The Chair noted it was Damian Brewitt's final House of Lords Audit Committee as engagement director for the NAO. She thanked him for his contributions and welcomed his successor, Liz Fox, who was in attendance.
- I.4 The Chair noted that this was her final meeting before her term as Chair ended in December. She thanked Committee colleagues and staff in the Administration for their assistance during her time on the Committee. Her successor, Mathew Duncan,

was in attendance on the call to observe proceedings. Several members noted the number of members departing the Committee at the same time and the risk of loss of corporate memory during the handover. The Chair said she had raised this on several occasions at the Commission but there had not been any change in the application of the rotation rule. Committee members noted the importance of induction meetings for incoming members of the Committee.

2. Declaration of interests for the meeting on 02 November

The Chair invited members to declare any interests relevant to the matters under discussion. No interests were declared.

3. Matters arising from the minutes of the meeting on 06 July

The Chair updated the Committee on progress on the agreed actions arising from the Committee's previous meeting. The audit completion report from the NAO had been circulated to the Committee.

4. Updates from the Commission meetings

4.1 The Chair updated the Committee on the meetings of the Commission since the previous Audit Committee meeting in July. The Commission had met on several occasions during that period and had considered issues including:

- The Finance Committee update concerning In-House Services and Strategic Estates.
- Social distancing and face-coverings on the Estate.
- The Strategic Review of the R&R programme.
- The external review of the Management Board and senior management in the Administration.

The Commission's next meeting was on Tuesday 10 November.

5. Audit Committee Self-Assessment

5.1 The Chair noted that Mathew Duncan as incoming Chair, together with continuing and new members of the Committee, would consider the findings of the self-assessment at their next Committee meeting.

5.2 Committee took note of the paper.

6. Audit Planning 2020-21

6.1 Damian Brewitt informed the Committee that this would be his final meeting of the House of Lords Audit Committee as engagement director for the NAO and introduced Liz Fox as his successor.

6.2 He updated the Committee on audit planning for 2020-21. He said that discussions with management would commence shortly and it was assumed at this stage that the audit would be conducted remotely.

6.3 He noted some possible risks:
[Additional data: Restricted Access]

7. Covid-19 Update

7.1 The Clerk of the Parliaments introduced the paper.

7.2 He summarised the impact of the pandemic on the Administration, and in particular noted:

- [Additional data: Restricted Access]

7.3 He said there were contingency plans in place if the House needed to revert back to fully virtual sittings. Baroness Fritchie asked about the most challenging tasks that had faced the Administration during the pandemic. Ed Ollard said that setting up the digital platforms to support virtual and then hybrid sittings had taken place in a very short period of time. This had required enabling all members to have the means and digital skills to participate in proceedings. Lord MacPherson praised the Administration's response to the pandemic and asked how the Administration was keeping records to assist any response to future crises. Ed Ollard said that the response was being recorded and the paper being considered by the Committee was an example of the steps the Administration had taken to record the actions during this period. John Beckerleg asked what steps the Administration was taking to support staff wellbeing during the pandemic. Ed Ollard said this was an important issue which he and management colleagues were aware of. He said teams had taken steps to keep in touch with colleagues who were working remotely and recognised the challenge of maintaining staff morale, particularly over the winter months. The Administration had also facilitated the opportunity for staff to work on the Estate if they were not able to easily work remotely. Sarah Jones said that there had been strong collaborative working between the Administrations of both Houses in the response to the pandemic.

7.4 In summing up, the Chair thanked the staff of the Administration including the Finance Department, teams responsible for risk management, digital working, and internal audit for their efforts and that the Committee's view was that the Administration's response to the pandemic had been working well.

7.5 The Committee took note of the paper.

RISK

8. Corporate Risk Update

8.1 Aisha Bi introduced the paper. She summarised the changes to the corporate risk register since the July meeting of the Committee, including the changes in the scores for health and safety and staffing. The COVID-19 pandemic continued to have an impact on the corporate risks in the register. The Board was expected to consider

deep dives on health and safety and staffing at forthcoming Board meetings, and would consider a deep dive on R&R following publication of the strategic review.

- 8.2 In discussion, John Beckerleg asked about possible risks arising from the end of the Brexit transition period. Ed Ollard said that the Business Planning group had considered a paper on the Administration's preparedness. This included the impact on contract prices and on data and information security. *[Additional data: Restricted Access]*
- 8.3 The Chair paid tribute to the improvements made in risk management by the House of Lords Administration and thanked Aisha Bi for her contribution to that work.
- 8.4 The Committee took note of the paper.

INTERNAL AUDIT REPORTS

9. Outstanding Audit Recommendations

- 9.1 Paul Thompson introduced the paper. He noted that some outstanding actions had been cleared since the previous meeting, and said there were understandable reasons for the remaining items still being included. He would update the Committee on progress at their next meeting.
- 9.2 The Committee took note of the paper.

10. Progress against the 2020-21 Internal Audit Plan

- 10.1 Paul Thompson introduced the paper.
- 10.2 He said that the internal audit team had been able to continue to provide a service despite the impact of the pandemic. Whilst the bulk of the plan remained uncompleted, this was normal for this point of the year with the majority of reports to be delivered in the second part of the year.
- 10.3 He noted that this was not a normal year due to the ongoing disruption from the pandemic and recognised there may be challenges surrounding capacity and delivery in the second part of the year which may require adjustment.
- 10.4 The Committee took note of the paper.

INTERNAL AUDIT REPORTS: FOR INFORMATION

11. Compliance with the Equality Act 2010

- 11.1 The Committee took note of the paper.

12. Commonwealth Parliamentary Association

- 12.1 The Committee took note of the paper.

13. Provision of IT Equipment to House of Lords Members- Follow Up Report

13.1 The Committee took note of the paper.

14. Private meeting with the Clerk of the Parliament

14.1 The Committee met in private with the Clerk of the Parliaments.

- *[Additional data: Restricted Access]*

15. Any Other Business

15.1 Baroness Fitchie noted it was Liz Hewitt's final meeting as chair of the House of Lords Audit Committee. She thanked the Chair for her support to members of the Committee during her term as Chair and wished her well for the future.