



HOUSE OF LORDS

HOUSE OF LORDS AUDIT AND RISK ASSURANCE COMMITTEE

Tuesday 18 November 2025, 14.45
(Hybrid Meeting – MS Teams and Committee Room 1)

MINUTES

Present:	Charlotte Moar (Chair) Lord Brownlow of Shurlock Row Lord Cromwell Viscount Thurso Chris Wood Lord Pitkeathley of Camden Town (observing)
Officials:	Simon Burton (Clerk of the Parliaments) Andy Helliwell (Chief Operating Officer) Paul Thompson (Head of Internal Audit) Kelly Ross (Internal Audit Manager) Fehintola Akinlose (Director of Finance) Simon Helps (Engagement Director, National Audit Office) Karen Yohannes (Senior Auditor, National Audit Office) Cynthujaa Satchi (Clerk to the Committee) Kirsty McAskill (Governance Support Officer) Erin Young (Assistant Private Secretary to the CoP) Aisha Bi (Head of Governance) Jonathan Smith (Head of Finance) Saeka Parkar (Head of Financial Reporting)
Officials attending for specific items	James Court-Martin (Corporate Accountant) Christine Evans (Director of Project Delivery, Strategic Estates) Elle Smith (Assistant Director, Strategic Estates) David Leach-Thomas (Director of Strategic Estates Portfolio Management Office) Steve Mayes (Head of Assurance, Audit & Compliance, Strategic Estates) Stephanie Armstrong (Risk and Assurance Manager) Mathew Chandler (Director of Estates and Facilities)
Apologies	Baroness Ford

1. Declaration of interests for the meeting on 18 November 2025

- 1.1 The Chair declared that as part of her role as a non-executive member of His Majesty's Revenue and Customs Audit & Risk Committee she was now the non-executive link member to the Valuation Office Agency which provides valuation services to all public bodies including the House of Lords.

2. Matters arising from the meeting on 17 July 2025

- 2.1 The Committee agreed the minutes of the previous meeting.
- 2.2 The Committee noted progress with the actions arising from previous meetings.

3. Updates from the Chair

- 3.1 The Chair noted the following:
- The House of Commons and House of Lords' Audit and Risk Assurance Committees had met jointly and considered the continuing progress with assurance of safety on the estate and assurance on digital recovery. The Committees supported the plans for testing. The meeting considered how future internal audit plans would support further assurance on scope and delivery of major projects.
 - The Committee will continue to focus on safety until the Restoration and Renewal programme is in implementation.
 - The Committee had held the annual private meeting with the Clerk of the Parliaments prior to this meeting.
- 3.2 The Committee noted the updates.

4. Updates from the Accounting Officer

- 4.1 The Accounting Officer (AO) noted the following:
- The Internal Audit Team received the highest rating in the External Quality Assessment (EQA). The AO commended the team for their hard work.
 - The Services Committee agreed changes to visitor access to the House of Lords Chamber to allow public visits.
 - The new Clerk of the Parliaments, Chloe Mawson, was announced and will assume her role in April 2026.
 - A data breach in a Joint Committee hosted by the House of Commons had been reported to the Information Commissioner, who had confirmed no further action needed to be taken.
 - The House was waiting for the latest guidance on single sex spaces from the Equality and Human Rights Commission (EHRC) to be approved.
- 4.2 In discussion, the following points were raised:
- It was important both to follow the law and also be kind and respectful.

4.3 The Committee noted the updates.

5. Annual Assurance on Counter Fraud and Action Plan

5.1 The Head of Finance and the Corporate Accountant joined the meeting. The Finance Director introduced the paper. The Corporate Accountant noted that the revised policy had been approved by the Lords Management Board in September 2026, the work programme had largely been delivered and as a result there was considerable progress towards compliance with the Government Functional Standard. However, the House was still developing its approach to counter fraud maturity.

5.2 In discussion, the following points were raised:

- *[Additional data – restricted access]*
- In relation to Commercial Fraud the pace of progress around undertaking a detailed risk assessment was questioned. It was noted that terms of reference for a bicameral working group were being proposed.
- The AO and the Chair agreed to convey their support for the Counter Fraud work to their respective counterparts in the House of Commons and propose this for a future joint meeting agenda.
- The need to maintain a focus on fraud awareness and the approach to Counter Fraud training, including communication plans.
- Targets and metrics for the action plan should be included in future.
- *[Additional data – restricted access]*

5.3 The Committee agreed to recommend the introduction of a 90% completion target for mandatory fraud and bribery training, noted the updates to the counter fraud policies and procedures, discussed the high level fraud risk assessment, noted the interim assessment against the counter fraud government functional standard and discussed the Counter Fraud Action Plan 2026 – 2029.

6. Management Letter on the 2024-25 financial statements

6.1 The Engagement Director introduced the papers and noted that further conversations were needed on aligning processes and documentation for valuations. The Head of Governance noted that the 2026 readthrough would include the Head of Internal Audit's Annual Opinion and the Office Annual Assurance report.

6.2 In discussion, the following points were raised:

- Heritage assets and proportionality of risk to the collection, as the volume of works across the estate increased, and whether the risk needs to be revisited. A review of the process for high-value and highly portable items was requested.
- The need to consult early with the NAO on accounting for major projects: this will be undertaken during the audit planning for 2025/26.

- 6.3 The Committee noted the paper and noted the Annual Report and Resource Accounts: Lessons Learnt and Timeline.

7. Internal Audit External Quality Assurance (EQA) report

- 7.1 The Head of Internal Audit introduced the paper and noted the EQA report was a professional requirement once every five years, similar to a compliance review. The Internal Audit (IA) team was pleased with the rating and have responded to the recommendations with an action plan.

- 7.2 In discussion, the following points were raised:

- Board authorisation was marked as partially compliant due to a technical issue which had since been resolved.
- Reducing the length of the IA reports and using the programmed self-assessment to add more value to reports.

- 7.3 The Committee noted the paper and the responses to key issues identified.

8. Progress against the Internal Audit plan for 2025-26

- 8.1 The Internal Audit Manager introduced the paper and noted that there were zero outstanding management actions from the House of Lords but several from Strategic Estates (SE). Other agreed management actions from a recent review of Project and Programme Handover processes were currently being re-baselined.

- 8.2 In discussion, the following points were raised:

- The changes to the plan, including ensuring there was a procedural audit to replace the deferred audit on Management of Procedural Knowledge.
- The expectation for reasonable audit coverage of the Parliamentary Commercial Department (PCD) and the commercial space. It was possible that IA needed to expand the scope of the support contracts to cover the commercial space.
- The overdue SE management actions were discussed at the Strategic Portfolio Board.
- The organisational review of SE should allow for better engagement with Audit as the changes proposed would strengthen the client role.
- SE audits made a large number of recommendations, and the majority were completed compared to those outstanding. The target dates for the outstanding recommendations were currently being re-baselined as they were contingent on the involvement of other stakeholders.

- 8.3 The Committee noted progress to date, the projected position at year-end, in-year adjustments to the audit plan, and the current position on management actions.

9. Lifts Refurbishment Project – Limited Assurance

The Director of Project Delivery (Strategic Estates) and the Assistant Director (Strategic Estates) joined the meeting, The Head of Internal Audit introduced the paper and noted that Stages 1 and 2 have completed. *[Additional data – restricted access]*. However, initial progress had been slow suggesting that the Stage 3 timescale may be unrealistic. This was the principal factor behind the limited audit opinion. The Director of Project Delivery noted that the programme had now been re-categorised and had a realistic programme for delivery. Strategic Estates were working with the chosen contractor, and the majority of the programme would be completed by August 2027, except for two lifts in PCH which were due for later completion.

9.1 In discussion, the following points were raised:

- The Full Business Case was agreed relatively recently in October 2023, and issues arose from an early stage including scope of the project, procurement strategy, inadequate engagement with stakeholders and unrealistic timescales and work practices. They were now designing and engaging earlier with key stakeholders.
- The new procurement regulations offered different routes to market as well as competitive procurements which might not always provide the best value for money.
- The audit was informed by Mr Speaker's concerns about delivery of Commons elements of the programme.
- Lessons had been learnt with all inflight projects due to be reviewed by the end of January for issues. This had resulted in reasonable confidence by management in delivery. Monthly check ins were now in place.
- SE and SPB were getting better at pausing projects if they were not working. The Subway Entrance had been slowed down to get it right.
- IA would be aiming to examine a range of SE projects in 2026/27 as the deliberate focus of audits on projects with known issues may be skewing the overall audit view of SE and project delivery.

9.2 The Committee noted the paper.

10. Strategic Estates Governance Arrangements – Limited Assurance

10.1 The Director Portfolio Management Office and the Head of Assurance, Audit & Compliance joined the meeting. The Head of Internal Audit introduced the paper. The Director Portfolio Management Office noted that almost all the actions were completed, and remaining actions would be completed ahead of target dates.

10.2 In discussion, the following points were raised:

- *[Additional data – restricted access]*
- The effectiveness of the mechanisms available to escalate and elevate issues within Strategic Estates, including to the Strategic Portfolio Board (SPB).

- Work was underway to ensure Senior Responsible Owner (SRO) and project sponsors have the capacity and capability to undertake the roles effectively.
- A centralised digital system for project management would improve governance and efficiency.

10.3 The Committee noted the paper.

11. Commercial Management Approach for Strategic Estates– Limited Assurance

11.1 The Head of Internal Audit introduced the paper. The Director Portfolio Management Office noted that the pre-contract work was being led by PCD and the post-contract work was being led by SE. It was noted the thin client model was currently in operation, but they were clarifying roles and responsibilities.

11.2 In discussion, the following points were raised:

- The importance of proper change control.
- The timetable for completion of the audit recommendations and options to accelerate completion whilst ensuring they were properly delivered.

11.3 The Committee noted the paper.

12. Principal Risk Report

12.1 The Head of Governance, Risk and Assurance Manager and the Director of Facilities and Estates joined the meeting. The Risk and Assurance Manager introduced the paper.

12.2 In discussion, the following points were raised:

- *[Additional data – restricted access]*
- The Committee would like to see paths to target in risk deep dives.
- A bicameral risk for infrastructure was supported by the Committee. It was noted that the majority of controls around the infrastructure risk actually related to safety which was a separate risk. Infrastructure risks and controls should include the scale of the estates delivery programme, the capacity and capability risks, the risks around user engagement etc. It was recognised that infrastructure improvements cannot be fully realised until R&R was delivered.
- The Finance risk would always remain as a Principal risk even when within tolerance. Commercial risk as previously agreed would be split out.
- *[Additional data – restricted access]* The MTFP set out the cashflow over the next three years, whilst cashflow was increasing in this period, the major would come outside this period. There have been consistent issues identified around initial scope of projects, procurement and delivery approach; and these were taken prior to cashflow being expended. The scale of the programme would impact on SE, as well as other corporate departments such as finance, security, HR, and on members in relation to access etc. It

was not clear that departments have robust plans for the scale up, and it would therefore be useful to have a one-page overview to show the scale of the programme in both financial and non-financial terms and over a longer time period than the MTFP. This would help the Committee consider readiness for deliverability.

- 12.3 The Committee noted the Principal Risk Register, noted the Deep Dive report on Infrastructure Risk and noted the Parliamentary Commercial Department update.

13. Payroll – Substantial Assurance

- 13.1 The Committee noted the paper.

14. Project Change Control – Moderate Assurance

- 14.1 The Committee noted the paper.

15. Cleaning Contract – Moderate Assurance

- 15.1 The Committee noted the paper.

16. Restoration and Renewal Client Team and Strategic Estates Interface– Moderate Assurance

- 16.1 The Committee noted the paper.

17. Corporate Requirements of House of Lords Offices – Advisory Report

- 17.1 The Committee noted the paper.

18. Catering Systems Project – Follow-up Report

- 18.1 The Committee noted the paper.

19. Audit and Risk Assurance Committee Self-Assessment

- 19.1 The Chair asked the Committee to complete the self-assessment and include suggestions for forward priorities.

20. Any Other Business

- 20.1 There was no other business,

Action Log

Item	Action
Annual Assurance on Counter Fraud and Action Plan	The AO and the Chair to discuss support for Counter Fraud work with their counterparts in the House of Commons including a potential joint audit committee discussion.
Annual Assurance on Counter Fraud and Action Plan	Corporate Accountant to update action plan with targets and metrics for actions for the six month update.
Annual Assurance on Counter Fraud and Action Plan	Head of Finance to discuss process for high-value and high portability items with Heritage Team
Internal Audit Plan 2025/26	Head of Internal Audit to consider when further audit of counter fraud risks particularly in relation to commercial
Principal Risk Report	COO to discuss with EPMO on providing an overview of forecast decision making milestones and cash flow over a longer time period for Category A programmes.
Audit and Risk Assurance Committee Self-Assessment	Committee to complete self-assessment

Clerk to the Audit and Risk Assurance Committee
November 2025