HOUSE OF LORDS

HOUSE OF LORDS AUDIT AND RISK ASSURANCE COMMITTEE

Tuesday 10 February 2026, 2.50
(Hybrid Meeting – MS Teams and Committee Room 1)

MINUTES

Present:	Charlotte Moar (Chair) Lord Cromwell Lord de Clifford Lord Pitkeathley of Camden Town Viscount Thurso Chris Wood
Officials:	Simon Burton (Clerk of the Parliaments) Andy Helliwell (Chief Operating Officer) Paul Thompson (Head of Internal Audit) Kelly Ross (Internal Audit Manager) Jonathan Smith (Head of Finance) Aisha Bi (Head of Governance) Saeka Parkar (Head of Financial Reporting) Simon Helps (Engagement Director, National Audit Office) Greg Walsh (Audit Lead, National Audit Office) Cynthujaa Satchi (Clerk to the Committee) Keerut Kang (Executive Support Officer) Erin Young (Assistant Private Secretary to the CoP)
Officials attending for specific items	
	Stephanie Armstrong (Risk and Assurance Manager) John Hunt (Director of EPMO) Gemma Corfe (Senior Portfolio Manager) Michael Torrance (Lords R&R Director) Christine Evans (Director of Project Delivery) David Leach-Thomas (Director of Strategic Estates Portfolio Management Office) Steves Mayes (Head of PPM Standards and Assurance) Alice Annis (Deputy Director of Strategy and Enablement)
Apologies:	Lord Brownlow of Shurlock Row

1. Declaration of interests for the meeting on 10 February 2026

1.1 There were no declarations of interest.

2. Minutes and matters arising from the meeting on November 2025

2.1 The Committee agreed the minutes of the previous meeting.

2.2 The Chair noted that a list of corporate policies had been published on ParliNET and the Committee should consider requesting policy owners to assess their effectiveness.

2.3 The Committee noted that the bicameral counter fraud working group would be clarifying their roles and responsibilities; and Strategic Estates had completed their review of all inflight lift projects.

2.4 The Committee noted progress with the actions arising from previous meetings.

3. Updates from the Chair

3.1 The Chair noted the following:

- Welcome to Lord de Clifford and Lord Pitkeathley to the ARAC
- Following the Chair's update to the Commission, the Commission was interested in receiving further information on risks and mitigations in the Principal Risk Register. The Chair would be meeting with the new Lord Speaker, Lord Forsyth of Drumlean, to discuss the priorities for ARAC.
- The forthcoming joint meeting of the Audit and Risk Assurance Committees would likely be in June 2026. The House of Commons were currently recruiting for a new Chair to the Committee.

3.2 The Committee noted the updates.

4. Updates from the Accounting Officer

4.1 The Accounting Officer noted the following:

- The Lords Management Board recently had a joint meeting with the Commons Executive Board, with another was planned for March 2026.
- A Cyber Security Programme phishing response exercise took place in January 2026, which involved both Accounting Officers and senior staff from both Houses. This provided significant assurance that the arrangements currently in place were fit for purpose and that staff across both Houses had a good understanding of their roles and responsibilities. It also highlighted areas of focus to continue to strengthen the business resilience and disaster recovery plans.
- The Costed Proposals Report had been published and set out the case for two possible options for the Restoration and Renewal (R&R) project. These recommendations were expected to be put to the two Houses, but the date was yet to be confirmed.

- Following the transfer of the Civil Service Pension Scheme administration to Capita, the House of Lords had launched a pension hardship fund. This scheme would be in place until 31st March 2026, and it would not affect the outgoing Clerk of the Parliaments. In the event that the scheme would require extension, this would be approved by the new Clerk of the Parliaments.
- Paul Martin had been appointed as the interim Director of Parliamentary Security, and Jonathan Smith would be covering the responsibilities of the Finance Director following the departure of the previous postholder.

4.2 The Chief Operating Officer noted that the procurement for the Palace of Westminster Fabric Conservation Project had been abandoned following commercial and legal advice. Deloitte had been commissioned to undertake a review, and a report would be presented to the Committee at a later date.

4.3 In discussion, the following points were raised:

- The full cost of the abandoned procurement was not known as there were a range of factors and there may be additional follow-up costs. There would most immediately be a cost for re-running the procurement exercise.
- The Deloitte review would focus on relevant factors, including why controls implemented following the abandoned procurement exercise for Victoria Tower did not appear to have prevented a recurrence. This report and wider lessons may potentially be a topic for the forthcoming joint meeting of the HoC and HoL ARACs.
- The National Audit Office (NAO) had been briefed by the Clerk around the departure of the Finance Director and no concerns had been identified in relation to financial probity or reporting.

4.4 The Committee noted the updates.

5. Principal Risk Register

5.1 The Risk and Assurance Manager, Lords R&R Director, Director of EPMO and Senior Portfolio Manager joined the meeting. The Risk and Assurance Manager introduced the paper and confirmed that the bicameral commercial risk would be agreed by the end of March and the infrastructure risk was being updated in line with the discussions at the last Committee meeting to ensure it focused on the risks around major project management. The risks around member services were being considered.

5.2 In discussion, the following points were raised:

- The risks around that member services should include the full range of services to members and would need to be discussed with Commission members. Reputational risk should also be considered.

- The current scores for the cybersecurity risk indicated, despite actions, the risk was not reducing. These scores looked static as the risk was constantly changing, and the controls helped to keep it at this residual score level. The

Information Digital Board would be reviewing the risk appetite and whether further actions can be taken to reduce the risk. For the forthcoming cybersecurity deep dive, to the Committee requested assurance around the mitigations one level down including around attack, recovery and culture.

- There would need to be a discussion with the House of Commons' and the Delivery Authority's ARACs to review audit and assurance arrangements following the R&R decision.
- The acquisition of the Queen Elizabeth Centre II depended on the decision to be made by both Houses. However, work continued on the possible acquisition, including valuations and discussions with the Ministry of Housing Communities and Local Government (MHCLG).
- Management updated that the multi-year profile was enabling discussions around the changing character of the portfolio and resources and capability required to support it, enabling demand planning. It was important to manage the peaks proactively to set projects up for success. However, in some areas, there were risks such as senior leadership capacity and capability in Strategic Estates, commercial and SRO.
- Committee commended the presentation of the multi-year profile and supported the proposal approach to separate resourcing plans for CBIP given its size.
- A deliverability dashboard might provide a holistic view of all projects and programmes, and provide assurance as the size of the portfolio increased.
- The Committee should not duplicate the work of the Finance Committee, which were already in discussion about the multi-year cost forecast. The Chair agreed to discuss with the Chair of Finance Committee how the Committees should work together on this. She also noted that she had recommended in the Organisational Effectiveness Review that the terms of reference of Finance Committee should be updated to include the oversight of performance and major projects that they currently undertake.
- The Committee requested an update on progress with plans to deliver the multi-year programme in May.

5.3 The Committee

- *noted* the Principal Risk Register
- *noted* the R&R deep dive
- *noted* the multi-year cost forecast

6. Audit planning report on the 2025-26 financial statements audit

6.1 The National Audit Office (NAO) introduced the paper and noted that the R&R Costed Proposals would be considered by the Public Accounts Committee, supported by the NAO. They also noted that the PAC would be considering the House of Lords excess vote shortly and that they are discussing with HOL and HOC management how the long-standing issues related to valuation of the Palace of Westminster can be addressed and future accounting treatment/information requirements around Restoration and Renewal.

6.2 In discussion, the following points were raised:

- The quality and value for money for external audit given the fee increases. The Committee noted that the NAO considered the sample sizes, a key driver for costs, and were applying technology to constrain costs. Audit fees were increasing both in the private and public sector, but the NAO fees was a modest increase in comparison.

- HM Treasury has started to review the audit process of smaller bodies, and this could impact some of the Inter-Parliamentary groups, such as BIPA and BPAG. The NAO was engaging with these bodies on these matters.

6.3 The Committee:

- *noted* the paper

7. Progress against the Internal Audit Plan 2025/26

7.1 The Internal Audit Manager introduced the paper and noted that progress against the Lords section of the plan was satisfactory. However, there was slow progress on the re-baselining of actions from the Project Handover Arrangements audit. 28 actions required re-baselining and would be reported as overdue until this occurs. Monitoring of these would be reported to the Commons Executive Board to catalyse action.

7.2 The Committee:

- *noted the* progress to date and the projected position at year-end, together with in-year adjustments to the audit plan, and
  noted the current position on overdue management actions for Strategic Estates.

8. West Front Perimeter C2234/100 (Peers' Entrance Project) – Limited Assurance

8.1 The Director of Project Delivery, Director of Strategic Estates Portfolio Management Office and Head of PPM Standards and Assurance joined the meeting. The Head of Internal Audit introduced the paper.

8.2 In discussion, the following points were raised:

- Lessons learnt showed the importance of stakeholder engagement. Project mandates would be established for all new projects, and would include stakeholder (including users) engagement. The project did not have a mandate in place when it was first commissioned. A considered approach was required from the beginning to avoid problems midway.

- Pressure to deliver, political buy-in and costs affected project delivery at design stage. Robust challenge on costs and stages of delivery was required, otherwise there would be competing interests, such as security versus political appetite.

- The project handover process may be affected by the current Strategic Estates restructure, as it had been one of the weakest part of projects and programmes. It was important to clarify the roles of staff and management to support effective handover, and provide assurance at all levels on the end-to-end process.

8.3 The Committee *noted* the paper.

9. Modern Slavery Approach – Limited Assurance

9.1 The Deputy Director of Strategy and Enablement joined the meeting. The Head of Internal Audit introduced the paper and noted the House of Lords was legally complaint with the Modern Slavery Act, and the transfer of the team into the Parliamentary Commercial Department brought it in line with other organisations and will provide greater resilience and better assurance that policies are being followed.

9.2 In discussion, the following points were raised:

- Political impetus to achieve more than what was legally required, needed to be balanced with the levels of risk in the supply chain and the other priorities for improving our commercial service, particularly given the current limited assurance from internal audit.

- The audit would be considered moderate or substantial if it was considered against only meeting the basic legal requirements. It was considered limited, as it had considered whether more could be done.

- There were no recent incidences of modern slavery in the supply chain, but there had been in a previous year. The current processes enabled identification of slavery and minimised exposure. An external subject matter expert continued to provide assurance on the policy and programme.

9.3 The Committee *noted* the paper.

10. Outline Internal Audit Plan for 2026-27

10.1 The Head of Internal Audit introduced the paper.

10.2 In discussion, the following points were raised:

- Other areas for potential auditing included: benefits realisation of iTrent, assurance on the Finance Systems Programme; and assurance on whether Strategic Estates had the right digital systems to capture and monitor asset information and programmes.
- The Internal Audit balanced reviews of control frameworks to make sure that it looked at weaknesses and, where identified, instances of overcontrols in order to examine the efficiency or the systems and processes under review.

10.3 The Committee *noted* the paper.

11. The Parliamentary Travel Office: Substantial Assurance

11.1 The Committee noted that the Travel Office provided a valuable resource for members when needed.

11.2 The Committee *noted* the paper.

12. Staff Recruitment: Moderate Assurance

12.1 The Committee *noted* the paper.

13. Grant Funded Bodies - British-Irish Parliamentary Association: Moderate Assurance

13.1 The Committee *noted* the paper.

14. Voice Programme: Moderate Assurance

14.1 The Committee *noted* the paper.

15. Late Night Transport: Follow-up Report

15.1 The Committee *noted* the paper.

16. Digital Performance Measurement Advisory Review

16.1 The Committee *noted* the paper.

17. Artificial Intelligence (AI) Governance Advisory Report

17.1 The Committee *noted* the paper.

18. Audit and Risk Assurance Committee Self-Assessment

18.1 The Chair introduced the paper and thanked members for the completion of the self-assessment.

18.2 In discussion, the following points were raised:

- The turnover within the committee may affect its effectiveness and would need to be considered over the forthcoming year.

18.3 The Committee:

- *Discussed* the findings from the self-assessment exercise
- *Agreed* to reaffirm the Committee's Operating Framework
- *Agreed* 2026/2027 priorities

19. Any Other Business

19.1 In case this was their last meeting, the Chair thanked Viscount Thurso and Lord Cromwell for their commitment and participation within the committee, particularly in providing institutional knowledge and history.

19.2 The Committee thanked the Accounting Officer for his collaborative way of working with the Committee and championing bicameral working.

19.3 The Accounting Officer thanked the Committee in their role by providing advice to him (in his capacity as the Accounting Officer) and senior management on the effectiveness of internal controls.

Action Log

Item	Action
Updates from the Accounting Officer	Accounting Officer / Chief Commercial Officer to provide Deloitte report on abandoned procurement of Palace of Westminster design and lessons learnt to the Committee
Principal Risk Register	The Committee requested assurance around the mitigations one level down including around attack, recovery and culture in the forthcoming Cyber Security Deep Dive.
Principal Risk Register - Multi-Year Cost Forecast (annex C)	Chief Operating Officer and Director of EPMO to meet with the Chair of Finance Committee to discuss Multi-Year Costs Forecast follow-up work and which governance bodies should be involved. An update to be provided to Committee following the meeting.
Principal Risk Register - Multi-Year Cost Forecast (annex C)	Accounting Officer to provide update on the Multi-Year Costs Forecast follow-up work at the next Committee meeting in their AO update

Principal Risk Register - Multi-Year Cost Forecast (annex C)	Chair to talk to Chair of Finance Committee and Lord Speaker around potential changes to the Finance Committee terms of reference to include performance and major projects oversight

Clerk to the Audit and Risk Assurance Committee
February 2026