

**MINUTES OF THE UTILITY REGULATOR AUDIT AND RISK COMMITTEE MEETING ON
17 SEPTEMBER 2025 IN MILLENNIUM HOUSE, BELFAST & ON MS TEAMS**

Present

Alex Wiseman (Chair)

Claire Williams

David de Casseres

Attending

Rosamund Blomfield-Smith (Board Chair, not Committee member)

John French (Chief Executive)

Peter Russell (Executive Director)

Paula McCann (Head of Finance and Project Management)

Debbie Quinn (Project Management & Quality Assurance Manager)

Megan Murray (Finance & Governance Analyst)

Andrew Allen (Northern Ireland Audit Office (NIAO))

Barbara Cantley (Director of Consumer Protection and Enforcement)

Sean Cavanagh (SCC Chartered Accountants)

Elaine Cassidy (Director of Price Controls) – agenda item 3 only

Ian Campbell (Estates, IT & Records Manager) – agenda item 3 only

Brian Mulhern (Director of Networks and Energy Futures) – agenda item 6 only

Susan Lavery (HR and L&D Manager) – agenda item 8 only

Shauna McAuley (Head of Legal) – agenda item 9 only

Sarah Teer (Head of Private Office) – agenda item 12 only

Apologies

Kevin Shiels (Executive Director)

Rachel Allister (Finance & Procurement Manager)

Chris Telford (SCC Chartered Accountants)

1. Welcome and Declaration of Conflicts of Interest

- 1.1 The Chair welcomed participants and noted the ARC meeting as his last given the end of his UR tenure in October. Claire Williams has been appointed as the new Chair from 1 November.
- 1.2 Anthony Pygram is joining the Committee as a non-executive member from 1 November 2025.
- 1.3 There were no declarations of interest.

2. Minutes of the Previous Meeting (ARC 02-09/25)

- 2.1 The Committee approved the minutes from the May 2025 meeting with two minor changes (paragraphs 11.3 and 14.3) to better reflect the discussions had.

3. Action Points (ARC 03-09/25)

- 3.1 All actions that were complete were noted.
- 3.2 Action in relation to Part 8: Price Controls (Limits Apply to Individual Allowances) in the Scheme of Delegation (SoD) was discussed by the Director of Price Controls who explained the complexities of updating the SoD in this area. The team have taken this request from ARC and considered; ARC agreed the action is now closed with no further ARC related actions or updates required to the SoD.
- 3.3 Actions in relation to business continuity, AI and cyber security will be reviewed in the December meeting. An external specialist firm has been procured to carry out a review in these areas and work has begun.
- 3.4 The actions were approved.

4. Finance Report (ARC 04-09/25)

- 4.1 The Head of Finance and Project Management presented the Finance report which set out the financial position at 31 July 2025.
- 4.2 There were no outstanding debts to report.
- 4.3 There was no reported fraud, or suspected fraud, instances for year to date.
- 4.4 The Committee were briefed on the Dear Accounting Officer (DAO) letter issued since the last meeting.
- 4.5 The Committee approved the finance report.
- 4.6 The Committee were presented with the 2025/26 mid-year budget. The overall budget has not changed from the opening position. There are significant slippages in salaries due to currently unfulfilled headcount. This is expected to be offset by increased legal spend throughout 2025/26. Minor pressures and easements have been identified in each directorate area which do not result in an overall change to the budget. There has been enhanced engagement across all directorates to capture, and control spend on travel, training and conferences.
- 4.7 The Head of Finance and Project Management noted that the approval of the mid-year budget will allow the Finance team to proceed with issuing electricity licence fees.
- 4.8 The Committee discussed the salaries slippage, and it was confirmed that the forecast was confirmed with HR.
- 4.9 The Committee requested the Finance report includes going forward an area which summarises any updates from the Department of Finance (DoF) regarding budgetary, cash and capital implications for the UR.

Action	Finance Report to include a section with relevant DoF updates.
Responsible	Finance and Procurement Manager

- 4.10 The Committee recommended the mid-year budget for approval to Board.

5. Corporate Risk Register 2025/26 (as at 31 August 2025) (ARC 05-09/25)

- 5.1 The Head of Finance and Project Management presented the paper for review by the Committee. It was noted there are currently 6 H/M and 3 H/H risks in the register at 31 August 2025. There is one emerging risk, ER1, identified.
- 5.2 The residual risk assessment for CR5 has increased from H/M to H/H since last reported to Board in July.
- 5.3 The Committee discussed Risk ER1 and deemed the risk to no longer be emerging and requested it be recorded and monitored as a corporate risk going forward.
- 5.4 The Committee also discussed CR3 and suggested an update to the risk description and actions to better present what the UR work priorities and focus are in this area.

Action	Update the corporate risk register to record ER1 as a corporate risk and update wording for CR3.
Responsible	Finance and Procurement Manager in conjunction with the relevant risk owners.

6. NEF Directorate Risk Register (ARC 06-09/25)

6.1 The Director of Networks and Energy Futures (NEF) presented the directorate risk register to the Committee. They highlighted there are several long-standing but low-level risks which are well managed within the directorate at HoF and Manager level which are reported monthly. Other emerging risks or risks with a higher residual risk rating are managed at corporate level.

6.2 The directorate has worked well to navigate the risks in this area within the UR vires and continues to take a cautious approach in risk management and seeks to collaborate with other directorates where appropriate.

7. NIAO Report to Those Charged With Governance (RTTCWG) (ARC 07-09/25)

7.1 The RTTCWG was presented to the Committee highlighting that the report had been issued in June 2025 with a non-qualified opinion without modification.

7.2 It was noted there was no irregular spend, or material findings identified as part of the audit, and The Annual Report and Accounts were laid at the Assembly on 4 July before summer recess.

7.3 There were five key risks outlined in the audit strategy with no issues identified through testing. There was one Priority 3 recommendation made regarding IT Health Checks to be arranged in respect of line of business applications.

7.4 The Committee welcomed the positive report and congratulated the Head of Finance and Project Management and the team for the audit outcome and meeting the agreed timelines.

8. HR Update (ARC 08-09/25)

8.1 The HR and L&D Manager presented an HR update to Committee, detailing the new staff headcount following recent Board approval of additional posts.

8.2 It was noted there have been several successful internal promotions and lateral moves and the vacancy count should now start to decrease with external hiring commenced.

8.3 Sickness absence was discussed. It was noted excluding a small number of staff on long-term sick leave, the reported absences are low and well managed. Several staff are returning from sickness leave shortly.

8.4 The pay award for 2025/26 has been agreed and will be implemented in October 2025.

9. Vires Update (ARC 09-09/25)

9.1 The Head of Legal provided a verbal update on the UR vires and noted draft interim legislation has been consulted upon with no material issues raised and hopes this will proceed through the Assembly with the earliest implementation expected Summer 2026.

10. Internal Audit Updates (SCC) (ARC 10-05/25)

10.1 Internal Audit presented a number of papers to the Committee including the progress report, year 2 plan and status of audit recommendations.

10.2 Two further audit recommendations have now been agreed as closed through Committee discussion relating to licence compliance and data integration.

Action	Closing of two audit recommendations as approved by the Committee.
Responsible	Project Management and Quality Assurance Manager

10.3 There are 4.5 unallocated audit days available to use in 2025/26. Committee confirmation is required on how to utilise these days.

Action	Confirmation on how to use remaining 4.5 audit days available.
Responsible	Head of Internal Audit (SCC) together with the Committee.

10.4 The Head of Finance and Project Management highlighted the Year 2 audit plan has 6 reports due to be presented in the May 2026 meeting. It was agreed the annual assurance could be presented earlier with final approvals to follow when available.

10.5 The Committee approved all reports.

11. Review of UR ARC practices to NIAO Effective Audit and Risk Assurance Committees Good Practice Guide (ARC 11-09/25)

11.1 The Committee were presented with the paper and noted it is encouraging that the Committee are already compliant with best practice in the majority of areas advised in the NIAO Guide.

11.2 The Committee agreed to the proposals as presented in the paper; to be presented with key procurement contacts (>£500k) going forward, confirmed the skills mix of the Committee is regularly reviewed as part of the annual self-assessment process and that an annual paper on cyber-security will be presented.

11.3 It was noted an induction checklist has been created for new Committee members. This is to be implemented from October and will be reviewed by the most recent new Committee member.

Action	Forward newly created ARC induction checklist for review by Committee member for accuracy and completeness.
Responsible	Finance and Governance Analyst

12. Updates (FOI, Raising Concerns and Complaints) – only ARC and UR staff present for this (ARC 12-09/25)

12.1 The Head of Private Office provided an update on the paper. There are two FOIs behind schedule due to internal resource constraints. There are a number of open FOIs at present, with the volume of requests increasing beyond recent trends.

12.2 The Committee requested that going forward this paper includes explanations for late responses to FOIs and projected completion dates.

Action	Include in the FOI, Raising Concerns and Complaints paper a status update on FOI responses and detail any reasons for delayed responses.
Responsible	Head of Private Office

12.3 The Committee was updated on the three recent “raising concerns” included in the paper and progress to date. Two are not within the remit of the UR with the final being escalated internally to be addressed by the CP&E team.

12.4 The Committee was presented with open complaints received by the UR. The significant resource required for responding to the complaints and the work ongoing with NIPSO was noted.

13. AOB

13.1 The date of the next meeting is 10 December 2025 @ 12.00 pm.
13.2 The next meeting will be chaired by Claire Williams (new Chair) and a handover meeting will take place in advance with the outgoing Chair.

Action	Organise and facilitate a handover meeting between the outgoing and incoming Chair.
Responsible	Head of Finance and Project Management

13.3 No other matters were raised, and the meeting was concluded.