



12 September 2019

Committee Chair: Councillor M Goodman
Committee Vice-Chair: Councillor V McAuley
Committee Members: Councillors – A Bennington, P Hamill, J Montgomery and B Webb
Independent Member: Mrs G Nesbitt

Dear Member

MEETING OF THE AUDIT COMMITTEE

A meeting of the Audit Committee will be held in the **Round Tower Chamber, Antrim Civic Centre on Tuesday 17 September 2019 at 6.30pm.**

You are requested to attend.

Yours sincerely

A handwritten signature in black ink that reads 'Jacqui Dixon'.

Jacqui Dixon, BSc MBA
Chief Executive, Antrim & Newtownabbey Borough Council

PLEASE NOTE: Fork buffet will be available in the Members' Room from 5:30pm

For any queries please contact Member Services:

Tel: 028 9034 0048 / 028 9448 1301

memberservices@antrimandnewtownabbey.gov.uk

A G E N D A

1. Apologies
2. Declarations of Interest
3. **ITEMS FOR DECISION**
 - 3.1 Annual Governance Statement 2018/19
 - 3.2 Financial Statements for the Year Ended 31 March 2019
4. **ITEMS FOR INFORMATION**
 - 4.1 NIAO: Report to Those Charged with Governance (Draft)
 - 4.2 Corporate Improvement Plan 2019/20 – Quarter 1 Improvement Objectives Progress Update
 - 4.3 Corporate Improvement Plan Performance Report 2018-19 (Final Draft)
 - 4.4 Update on Audit Committee Actions
 - 4.5 Internal Audit Update Report
 - 4.6 National Fraud Initiative 2018: Progress Update Report
 - 4.7 Corporate Risk Register
 - 4.8 Managing Attendance
5. **ITEMS IN CONFIDENCE**
 - 5.1 NIPSO: Investigations – Council Services
 - 5.2 Investigations Update
6. Any Other Relevant Business

3. ITEMS FOR DECISION

3.1 FI/FIN/SOA/0 ANNUAL GOVERNANCE STATEMENT 2018/19

Members are reminded that a copy of the draft (unaudited) Statement of Accounts for the year ended 31 March 2019, including the Annual Governance Statement, was presented at the June Audit Committee.

A number of minor amendments have been suggested by External Audit to provide additional clarity and management have agreed to make these.

A copy of the updated Annual Governance Statement 2018/19 is enclosed, with the most significant amendments being highlighted red for Members information.

Regulation 4(4) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 also requires that "...a local government body as a whole or committee must approve an annual governance statement prepared in accordance with proper practices on internal control."

RECOMMENDATION: that

(a) the Committee approves the Annual Governance Statement 2018/19;

and

(b) the Annual Governance Statement 2018/19 be signed and dated by the Chair of the Audit Committee.

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Director of Finance and Governance

3.2 FI/FIN/SOA/05 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Members are reminded that a copy of the draft (unaudited) Statement of Accounts for the year ended 31 March 2019, was presented at the June Audit Committee and that the Committee would be required to approve the audited Statement of Accounts at the September Committee.

The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 requires that:

“8 (3)... a local government body must, no later than 30th September following the end of the financial year to which the statement relates:

- (a) Consider either by way of a committee of that body or by the members of the body as a whole the statement of accounts;
- (b) Following that consideration, approve the statement of accounts for submission to the local government auditor by a resolution of that committee or meeting;
- (c) Following approval, ensure that the statement of accounts is signed and dated by the person presiding at the committee or meeting at which the approval was given...”

and

“(4) The chief financial officer must re-certify the presentation of the statement of accounts before the relevant local government body approves it.”

Members are reminded that the Council delegated authority in April 2015, to the Audit Committee to approve the Statement of Accounts.

The audited Statement of Accounts for Antrim and Newtownabbey Borough Council for the year ended 31 March 2019 are **enclosed**.

RECOMMENDATION: that

- (a) the Committee approves the Statement of Accounts for the year ended 31 March 2019;**

and

- (b) the Statement of Accounts be signed and dated by the Chair of the Audit Committee.**

Prepared by: John Balmer, Head of Finance

Approved by: Sandra Cole, Director of Finance and Governance

4. ITEMS FOR INFORMATION

4.1 FI/FIN/SOA/05 NIAO: REPORT TO THOSE CHARGED WITH GOVERNANCE (DRAFT)

Members are advised that the Local Government Auditor has completed the audit of the Statement of Accounts for the year ended 31 March 2019 and has now issued the draft Report to Those Charged with Governance (copy of which will follow).

A copy of the final Report to Those Charged with Governance will be presented at the next Committee meeting in December 2019.

Representatives of the NIAO will be in attendance to answer Members' questions.

RECOMMENDATION: that the draft report is noted.

Prepared by: John Balmer, Head of Finance

Approved by: Sandra Cole, Director of Finance and Governance

4.2 PT/CI/024 CORPORATE IMPROVEMENT PLAN 2019-20 QUARTER 1 IMPROVEMENT OBJECTIVES PROGRESS REPORT

Members are reminded that Part 12 of the Local Government Act (Northern Ireland) 2014 puts in place a framework to support the continuous improvement of Council services.

A first quarter progress report is **enclosed** for Members' attention.

The report provides an overview on how we performed against:

- Our eight corporate improvement objectives, as set out in the 2019-20 Corporate Improvement Plan, which was approved by Council in June 2019;
- The seven statutory indicators and standards that were set by Central Government Departments for Planning Services, Economic Development and Waste Management – as defined in the Local Government (Performance Indicators and Standards) Order (Northern Ireland) 2015 and;
- A range of self-imposed improvement objectives across all service areas

RECOMMENDATION: that the Corporate Improvement Plan 2019-20 Quarter 1 progress report is noted.

Prepared by: James Porter, Performance Improvement Officer

Agreed by: Helen Hall, Head of Performance and Transformation

Approved by: Sandra Cole, Director of Finance and Governance

4.3 PT/GEN/019 CORPORATE IMPROVEMENT PLAN PERFORMANCE REPORT 2018/19 (FINAL DRAFT)

Members are reminded that Part 12 of the Local Government Act (Northern Ireland) 2014 (the Act) Section 84(1) places a general duty on councils to “make arrangements to secure continuous improvement in the exercise of its functions”.

Section 92(2)(a)(i) requires a Council to publish an assessment of its performance in discharging its duties under section 84.

The report should include an assessment of the effectiveness of the continuous improvement arrangements, giving details of any issues identified through its monitoring and review, as well as references to any planned / implemented improvements.

In addition, Section 92(2)(b)(i) & (ii) of the Act requires a Council to publish an assessment of its performance as compared with previous financial years; and so far as is reasonably practicable, the performance during that and previous financial years of other Councils.

This shall include a description of the benchmarking activities that a Council has undertaken and where possible the description shall include a comparison with the Council's previous performance (i.e. to help demonstrate trends).

Descriptions of benchmarking may also include a narrative outlining change in practice, process or activity that reflects learning from other organisations.

Members are advised that a final draft of the Corporate Improvement Plan Performance Report 2018-19 has been prepared and is **enclosed** for Members' attention.

The report provides an overview on how we performed against:

- Our seven Corporate Improvement Objectives, as set out in the 2018-19 Corporate Improvement Plan which was approved by Council in June 2018;
- Statutory performance improvement indicators and standards for the functions of Economic Development, Planning and Waste for 2018-19, including comparison with the previous year, and;
- Our self-imposed indicators and standards.

RECOMMENDATION: that the Corporate Improvement Plan Performance Report 2018-19 (Final Draft) is noted.

Prepared by: James Porter, Performance Improvement Officer

Agreed by: Helen Hall, Head of Performance and Transformation

Approved by: Sandra Cole, Director of Finance and Governance

4.4 FI/AUD/2 UPDATE ON AUDIT COMMITTEE ACTIONS

As part of the reporting process to the Audit Committee, a progress update of actions raised from each Audit Committee has been provided.

The following table provides a progress update on the actions raised.

| Item | Action | Progress update | Anticipated Completion Date |
|---|--|--|-----------------------------|
| June 2019 | | | |
| 3.1 REVIEW OF THE EFFECTIVENESS OF THE AUDIT COMMITTEE | | | |
| (i) | The Independent Member suggested that in order to keep track of action progress, an update report be provided to Members at the December Audit Committee Meeting. | In Progress A progress report on actions will be provided to Members at the December Audit Committee. | December 2019 |
| (ii) | Cllr. Webb sought clarity on when the skills and knowledge of the Members of the Audit Committee would be assessed. The Head of Internal Audit clarified that documentation had been provided to Members at training sessions and a copy of this would be emailed to him. | Complete A copy of the Member Skills and Knowledge assessment form was emailed to Cllr. Webb on 19 June 2019. | N/A |
| 4.10 CORPORATE RISK REGISTER | | | |
| (i) | Cllr. Hamill sought an update on long term provision of burial plots following a request of same at the Policy and Governance Committee. | Complete The Director of Organisation Development provided Cllr. Hamill with an update. In addition a burial capacity update will be provided to the Policy and Governance Committee quarterly. | N/A |
| 4.11 REVISED AUDIT COMMITTEE TERMS OF REFERENCE | | | |
| (i) | Cllr. Webb requested that in future, changes to Corporate documents should be highlight. | Complete A commitment to highlight changes in future reports has been given. Changes were highlighted in the Revised Audit Committee Terms of Reference report to the June Council meeting. | N/A |

4.14 MANAGING ATTENDANCE

| | | |
|---|--|-----|
| (i) Cllr. Webb requested that the long term sick absence as a result of disciplinary be raised at the next Policy and Governance Committee. | Complete Long term sick absence as a result of disciplinary was addressed at the 3 September 2019 Policy and Governance meeting. | N/A |
|---|--|-----|

6 AOB

| | | |
|---|---|-----|
| (i) The Director of Finance and Governance informed Members that the Local Government Auditors Report for 2019 had been published and was based on the Audit of the Northern Ireland Councils 2017/18 Financial Statements. The report gives comparatives between Councils and that the report would be sent to Members. | Complete The Local Government Auditors Report for 2019 was provided to Members on 19 June 2019. | N/A |
|---|---|-----|

RECOMMENDATION: that the Committee notes the Previous Actions update.

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Director of Finance and Governance

4.5 FI/AUD/1 INTERNAL AUDIT UPDATE REPORT

A report containing a summary of Internal Audit activity since the Audit Committee last met on 18 June 2019 is **enclosed**. The report includes the objectives and conclusions reached for each completed engagement and management comments as applicable.

RECOMMENDATION: that the report be noted.

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Director of Finance and Governance

4.6 FI/AUD/68 NATIONAL FRAUD INITIATIVE 2018

Members are reminded that the Council has been participating in the latest National Fraud Initiative exercise and has been investigating the matches provided as per the approach adopted, reported to the Audit Committee in March 2019.

We have substantially completed our investigations (271 matches / 91%) and a progress report outlining the results of our work is enclosed for Members information.

No frauds have been identified through the work undertaken during this National Fraud Initiative exercise.

The remaining matches yet to finalise (26 matches) are in relation to Payroll matches with other public sector organisations and the finalisation of these matches is dependent on the information flow to and from these counterparties.

The completion of these matches will be undertaken throughout the remainder of this year and will be finalised prior to the deadline of 31 March 2020. An update report will be provided to the Audit Committee at this time.

RECOMMENDATION: that the report be noted.

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Director of Finance and Governance

4.7 FI/AUD/3 CORPORATE RISK REGISTER

Members are advised that a report providing details of the Council's Corporate Risk Register, including changes made to the Corporate risks, is presented to the Audit Committee on a quarterly basis.

The review and update of the Corporate Risk Register has been completed and a report setting out the Register and the changes made to the risks, is **enclosed** for Members review.

RECOMMENDATION: that the report be noted.

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Director of Finance and Governance

4.8 HR/GEN/019 MANAGING ATTENDANCE

The purpose of this report is to update Members regarding the position on sickness absence for the first quarter of 2019/20. Appendix 1 enclosed provides a summary relating to absence.

Sickness absence for the period 1 April 2019 to 30 June 2019 was 3.43 days per employee against a target of 3.25 days which represents 0.18 days above target.

HR Partners continue to work with Heads of Service and Managers to monitor long term cases with a view to doing everything possible to enable employees to return at the earliest possible date. This may include phased returns, amended duties, providing physiotherapy, counselling, wellness recovery action plans etc. The Director of Organisation Development is working closely with the other Directors around absence cases relating to their departments.

Positively, full attendance for 2019/20 quarter one is on par with the previous year with 84% of staff having 100% attendance. Work is ongoing to develop practical steps that the Council can take to further recognise employees with 100% attendance.

The Council's significant commitment to the Employee Health & Wellbeing Programme was highly commended at the Chartered Institute of Personnel and Development Northern Ireland (CIPD NI) 2019 Awards, and the Council has been further shortlisted in the CIPD UK 2019 National Awards this September. The result will be announced at the September Awards event. APSE has also shortlisted the Council for an award in relation to its Health and Wellbeing initiatives as did Inspire Wellbeing earlier this year.

The employee Health & Wellbeing Action Plan 2019/20 is enclosed for information (Appendix 2).

Forty-two percent of all sickness absence is accounted for by stress. This amounts to 699 days. A significant proportion, 421 days or 60% of this stress is connected to grievance and disciplinary cases and a standard process has been developed for managing these cases in particular to ensure the earliest possible return to work. If these sickness days were removed from the figures overall absence would be an average of 2.76 days per employee against a target of 3.25 day per employee.

It is also planned to nominate Mental Health Champions across the Council's service areas to provide an initial listening ear and to signpost employees suffering from mental health issues to professional services.

RECOMMENDATION: that the report be noted.

Prepared by: Joan Cowan, Head of Human Resources

Approved by: Andrea McCooke, Director of Organisation Development