



**MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE AUDIT AND RISK COMMITTEE
HELD IN ANTRIM CIVIC CENTRE ON WEDNESDAY 20 MARCH 2024 AT 6.30 PM**

In the Chair	:	Councillor M Goodman
Committee Members Present	:	Alderman M Magill Councillors – A Bennington, A McAuley and B Mallon
Independent Member	:	Mrs G Nesbitt
Non Committee Members Present	:	Councillor B Webb
Officers Present	:	Director of Finance & Governance – S Cole Director of Corporate Strategy – H Hall Head of Internal Audit – P Caulcutt ICT Helpdesk Support Officer – A Cole Member Services Officer – C McIntyre
In Attendance	:	K Doey – NI Audit Office J Lipton – NI Audit Office

CHAIRPERSON'S REMARKS

The Chairperson welcomed everyone to the quarterly Audit and Risk Committee Meeting and reminded all present of recording requirements.

The Chairperson further extended a welcome to Joanne Lipton and Kathy Doey from the NI Audit Office.

1 APOLOGIES

Councillor S Wilson

2 DECLARATIONS OF INTEREST

None

3 ITEMS FOR DECISION

3.1 FI/AUD/02 REVIEW OF THE EFFECTIVENESS OF THE AUDIT AND RISK COMMITTEE 2023/24

1. Purpose

The purpose of this report was to obtain approval from Members on the outcomes of the review of the effectiveness of the Audit and Risk Committee and that these outcomes be reported to the June 2024 Council meeting.

2. Introduction / Background

Members were reminded that CIPFA's Audit Committee – Practical Guidance for Local Authorities and Police, placed a requirement on Audit Committees to "Report regularly on their work, and at least annually report an assessment of their performance".

The guidance also provided a 'Self-Assessment of Good Practice' checklist and an 'Evaluating the Effectiveness of the Audit Committee' self-assessment checklist which enabled the Committee to undertake and report on the assessment of their performance throughout the year.

3. Key Points

On 15 February 2024, Members of the Audit and Risk Committee participated in a self-assessment review of the Committee's performance throughout the year.

Members agreed the 'Self-Assessment of Good Practice' and the 'Evaluating the Effectiveness of the Audit Committee' checklists as well as an Action Plan for enhancing the Committee's effectiveness going forward.

The outcomes of this review, including the Action Plan was circulated for Members' approval.

These outcomes, along with an Annual Report outlining the Audit and Risk Committee's activities during the year, would be reported to the June 2024 Council meeting as part of the year-end reporting process.

The Director of Finance and Governance and Head of Internal Audit provided a response to Members' queries in respect to the partial compliance as noted within the Report.

Proposed by Mrs Nesbitt

Seconded by Councillor Bennington and agreed that

the outcomes of the review of the effectiveness of the Audit and Risk Committee be approved and that these outcomes be reported to the June 2024 Council meeting.

ACTION BY: Paul Caulcutt, Head of Internal Audit

3.2 FI/AUD/01 INTERNAL AUDIT STRATEGY 2024 – 2027 AND AUDIT PLAN 2024/25

1. Purpose

This report was to obtain approval from Members on the Internal Audit Plan for 2024/25.

2. Introduction / Background

The Head of Internal Audit was required to provide an annual opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. The basis of this opinion would be the Internal Audit service provided during the year.

Due to the finite resources available, it was not possible to provide audit coverage of all aspects of the Council's activities annually. The Internal Audit Strategy (circulated) set out the audit coverage based on the assessment of risk.

The Strategy also provided the Audit and Risk Committee and the Corporate Leadership Team with an understanding of Internal Audit's approach to developing the Strategy as well how the Service was delivered and assessed through the Quality Assurance and Improvement Programme.

3. Previous Decision of Council

The Internal Audit Strategy was approved by Members of the Audit and Risk Committee in March 2023, and had been updated to take into account the views of Members during that Committee meeting and the change in the Council's risk profile.

4. Key Points

In preparation of the 2024/25 Internal Audit Plan, the Council's risk registers (Corporate and Service) had been updated, reviewed and assessed to take into account the change in risk.

This ensured the 2024/25 audit coverage was risk based and provided a sound basis for the provision of a robust annual internal audit opinion at the end of the year.

The Internal Audit Plan for 2024/25 (circulated) had been consulted on and approved by the Corporate Leadership Team.

Mrs Nesbitt proposed that an audit of all Policies and Procedures be included in the Audit Plan for either 2024/25 or 2025/26.

Proposed by Mrs Nesbitt
Seconded by Councillor Bennington and agreed that

the Internal Audit Plan for 2024/25 be approved and an audit of all Policies and Procedures be included in the Audit Plan for either 2024/25 or 2025/26.

ACTION BY: Paul Caulcutt, Head of Internal Audit

4 ITEMS FOR INFORMATION

4.1 FI/AUD/02 NIAO: LOCAL GOVERNMENT AUDITOR REPORT 2023

1. Purpose

This report was for Members to note the Local Government Auditor Report 2023.

2. Introduction / Background

Northern Ireland's Local Government Auditor had published a report (circulated) summarising the findings of the audits of local Councils during 2020-21 and 2021-22.

3. Key Points

The report highlighted the impact of the COVID-19 pandemic on both Council finances and operations. It noted that, in 2020-21, total local government income exceeded total expenditure for the first time since the formation of the new Council structures in 2015. This was mostly a consequence of the pandemic response, which saw both a reduction in expenditure levels by Councils, and significant (but short-term) additional financial support to Councils from central government.

However, in 2021-22, while expenditure levels remained lower than pre-pandemic, a drop in income meant that the local government sector was again in a position of overall expenditure (£1.07 billion) exceeding income (£1.056 billion).

The report also noted that, during 2020-21 and 2021-22, the value of repayments made by Councils against their existing debt was greater than the value of new borrowing. As a result, the value of outstanding debt across Councils fell by £99.3 million (17%) over the two-year period.

There was also an increase in the value of useable reserves held by Councils, from £266 million at the end of 2019-20 to £462.8 million at the end of 2021-22.

The report acknowledged the economic environment had changed significantly since 2021-22. Factors such as inflation and the rising cost of living have left the local government sector facing uncertainty over future funding levels and expenditure pressures.

Other findings noted in the report included:

- During 2020-21, there was a significant increase in the value of suspected frauds reported by Councils (£92,000, versus £5,000 in 2019-20). The value of suspected frauds then fell significantly during 2021-22 to a value more consistent although still slightly higher than the value in 2019-20 at £9,400.
- Staff costs continued to account for slightly less than 40 per cent of total expenditure, with the rate at individual Councils tending to be relatively close to this general rate.
- Following a notable reduction in staff absence levels during 2020-21, post pandemic saw Councils record their highest average sickness percentage against the previous five years (an average of 15.8 days in 21-22)

Kathy Doey, NIAO responded to Members' queries in respect of a review of the amalgamation of Policies and Procedures across all Councils.

Following a query from a Member, Kathy Doey, NIAO, advised that the next Local Government Auditor Report is anticipated to be published in the later part of the year.

Proposed by Councillor Bennington
Seconded by Councillor McAuley and agreed that

that the Local Government Auditor Report 2023 be noted.

NO ACTION

4.2 FI/FIN/SOA/10 NIAO: AUDIT STRATEGY 2023/24

1. Purpose

This report was for Members to note the Northern Ireland Audit Office's Audit Strategy 2023/24.

2. Introduction / Background

The Local Government Auditor is the independent external auditor of the Council's Statement of Accounts under the Local Government (Northern Ireland) Order 2005.

In addition to the audit of the financial statements, the Local Government Auditor has a statutory duty to be satisfied the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of its resources.

The Local Government Auditor is also required to conduct an improvement audit and assessment each year under Part 12 of the Local Government Act

(Northern Ireland) 2014 and the statutory 'Guidance for Local Government Performance Improvement 2016'.

Each year, the Northern Ireland Audit Office, on behalf of the Local Government Auditor, issues their Audit Strategy (circulated) to the Chief Financial Officer and the Audit and Risk Committee.

3. Key Points

The Audit Strategy highlights:

- How the NIAO plan to audit the financial statements for the year ending 31 March 2024, including how they will be addressing significant risks of material misstatements to transactions and balances;
- How the NIAO plan to audit the proper arrangement in place for securing economy, efficiency and effectiveness in the use of resources for the year ending 31 March 2024;
- The planned timetable, fees and audit team;
- Relevant updates to the code;
- Matters which the NIAO are required to communicate under International Standards on Auditing, including the scope of the audit, the NIAO's respective responsibilities and how the NIAO maintain independence and objectivity; and
- Public Reporting work undertaken by the Local Government Auditor that is relevant to the Council.

Kathy Doey, NIAO, provided a detailed summary of the content of the circulated Strategy and addressed queries from a Member.

Proposed by Alderman Magill

Seconded by Councillor McAuley and agreed that

the Northern Ireland Audit Office's Audit Strategy 2023/24 be noted.

NO ACTION

4.3 PT/CI/049 PERFORMANCE AND IMPROVEMENT PLAN 2023/24 - PERFORMANCE PROGRESS REPORT QUARTER 3

1. Purpose

The purpose of this report was to recommend to Members that the Performance and Improvement Plan 2023/24 Performance Progress Report Quarter 3 be noted.

2. Background

Members were 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.

The Council's Corporate Performance and Improvement Plan 2023/24 was approved in June 2023. This set out a range of robust performance targets, along with six identified improvement objectives and a number of Statutory Performance Targets

3. Previous Decision of Council

As agreed at the August Council meeting, quarterly performance reports would be presented to the relevant committee or Working Group.

4. Key Points

Third Quarter performance progress reports for the overall Council Corporate Performance and Improvement Plan 2023/24 were circulated for Members' information.

Mrs Nesbitt wished to note the good work Council is doing to support the most vulnerable across the Borough. The Chairperson and a Member provided information on support initiatives Council offers including the Anti-Poverty Steering Group.

Proposed by Mrs Nesbitt

Seconded by Councillor Bennington and agreed that

the Performance and Improvement Plan 2023/24 Performance Progress Report Quarter 3 be noted.

NO ACTION

4.4 FI/AUD/02 UPDATE ON AUDIT AND RISK COMMITTEE ACTIONS

1. Purpose

The purpose of this report was for Members to note the progress on actions raised at previous Audit and Risk Committees.

2. Introduction / Background

Members were reminded that at each Committee meeting, a progress update on previous Committee actions is provided for consideration.

3. Key Points

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

Item	Action	Progress update	Anticipated Completion Date
December 2022			
4.6	RECOVERY PLAN- 2022/23 – PERFORMANCE PROGRESS REPORT QUARTER 2		
(i)	A review of how Council assess customer satisfaction be undertaken.	In Progress A review of how the Council obtains and assesses customer satisfaction is underway. The key 2024/25 Business Plan objective for Customer Services is the development of a Customer Services Strategy which will incorporate a consultation plan and customer charter.	30/06/24
March 2023			
4.2	INTERNAL AUDIT STRATEGY 2023-2027 AND AUDIT PLAN 2023-24		
(i)	Officers agreed to further consider a number of issues raised by Members and respond to them in due course.	Complete Suggestions raised by Members have been considered during the development of the 2024/25 Internal Audit Strategy and Plan.	N/A

Item	Action	Progress update	Anticipated Completion Date
December 2023			
3.1	REVIEW OF THE EFFECTIVENESS OF THE AUDIT & RISK COMMITTEE 2023/24		
(i)	A facilitated self-assessment session to review the effectiveness of the Audit & Risk Committee be arranged Thursday 15 February 2024.	Complete The facilitated self-assessment session to review the effectiveness of the Audit & Risk Committee took place on Thursday 15 February 2024. The report setting out the findings of that review has been included on the agenda for this Committee meeting.	N/A
4.5	CORPORATE PERFORMANCE & IMPROVEMENT PLAN – PROGRESS REPORT QUARTER 2		
(i)	Clarity to be provided in future reports that improvement targets are annual.	In progress The Corporate Performance Improvement Plan 2024/25 Performance reports will indicate if improvement target is annual.	30/06/24
4.11	MANAGING ATTENDANCE		
(i)	The number of managers who had attended stress related training be included in the next report.	Complete Information requested has been included in the monthly Managing Attendance report for Policy & Governance from January 2024 and will be included in the Audit & Risk Committee report from March 2024.	N/A
5.4	INDEPENDENT AUDIT & RISK COMMITTEE MEMBER		
(i)	Progress the recruitment of a new Independent Member for the Audit & Risk Committee, at a rate of £300 per meeting plus reasonable travelling expenses, increasing to £400 a meeting if required.	Complete The recruitment exercise for a new Independent Member for the Audit & Risk Committee has concluded. A separate report on this has been included on the agenda for this Committee meeting.	N/A
6.0	ANY OTHER BUSINESS (IN CONFIDENCE)		
(i)	Respond to Members' queries relating to procurement processes and award of contracts.	Complete Response to the queries was provided to the Member on 30 January 2024.	N/A

Proposed by Alderman Magill
Seconded by Councillor McAuley and agreed that

the progress on actions raised at previous Audit and Risk Committees be noted.

NO ACTION

4.5 FI/AUD/01 INTERNAL AUDIT UPDATE REPORT

1. Purpose

The purpose of this report was for Members to note the Internal Audit activity since the Audit and Risk Committee last met in December 2023.

2. Introduction / Background

Members were reminded that a report providing a summary of the Internal Audit activity since the Audit and Risk Committee last met, was presented on a quarterly basis.

3. Key Points

The circulated Internal Audit update report included the objectives and conclusions reached for each completed engagement and management comments as applicable.

The report also provided details of the progress of the implementation of agreed Internal Audit recommendations and the results of Internal Audit's Quality Assurance and Improvement Programme (QAIP).

Mrs Nesbitt requested that the Contract Review Report be brought to the Audit and Risk Committee.

Proposed by Councillor Bennington
Seconded by Councillor McAuley and agreed that

the report be noted and that the contract Review Report be brought to a future Audit and Risk Committee meeting.

ACTION BY: Paul Caulcutt, Head of Internal Audit

4.6 FI/AUD/03 CORPORATE RISK REGISTER

1. Purpose

The purpose of this report was for Members to note the updated Corporate Risk Register.

2. Introduction / Background

Members were reminded that a report providing details of the Council's Corporate Risk Register, since the Audit and Risk Committee last met, was presented on a quarterly basis.

3. Key Points

All Corporate risks had been reviewed and updated in line with the review and reporting timeframe.

In accordance with the reporting protocol, a report setting out the Corporate Risk Register and the changes made to risks, was circulated for Members' review.

The Director of Finance and Governance provided clarification to Members' queries and agreed to provide follow up information.

Proposed by Councillor McAuley
Seconded by Councillor Bennington and agreed that

the updated Corporate Risk Register be noted.

ACTION BY: Sandra Cole, Director of Finance and Governance

4.7 HR/GEN/019 MANAGING ATTENDANCE UPDATE APRIL 2023 – JANUARY 2024

1. Purpose

The purpose of this report was to provide an update on the management of attendance for the period April 2023 to January 2024 (summary circulated).

2. Introduction/Background

The significance of managing employee sickness absence with diligence and empathy was paramount to achieving Council's corporate target of 12 average days per employee (2023/24). The circulated report summarised the current status of Council's sickness absence, and outlined the interventions and initiatives in place to support operational efficiency, promote a healthy working environment, and ensure sustained productivity levels.

Robust attendance management was essential, not only for meeting our corporate target but also for reinforcing our dedication to the welfare of our employees.

3. Current status to date

Summary of absence to date

- Absence was above target by 1.21 days with 11.44 average days lost per employee against a target of 10.23 days. (Covid absence was not included in the reported figure as a significant number of these cases were working from home during the isolation period)
- 4 of the 7 Directorates and 14 of the 22 services were within the corporate target.
- Stress-related absence (including work related stress) was the main reason and accounted for 41% of absence during this period
- 100% attendance – 60% of employees had full attendance (63% for same period 2022/23)
- Long term absence (20 days or more) accounted for 82% of absence
- 75% of long term cases were challenging including absence related to road traffic accidents, surgery, disability related illness and general injuries
- 8 long term cases successfully returned to work with a further 2 leaving Council's employment

Interventions and Initiatives in place to support attendance management

- Case management discussions held with legal advisors
- Meetings held with Directorates with high or complex absence cases
- HR Business Partners worked closely with managers and Occupational Health on an individual case management basis
- Monthly case management discussion meetings scheduled as needed to review complex cases with an Occupational Health consultant
- The Corporate and Human Resources Risk registers reviewed in line with absence levels
- Physiotherapy services provided for appropriate cases
- Promotion of Inspire and STAYWELL resources
- Weekly STAY MORE CONNECTED communication used to share and promote information on up and coming Wellness events and courses
- Regular wellness meetings, OH appointments and trigger meetings arranged where appropriate

Proposed by Alderman Magill

Seconded by Councillor Bennington and agreed that

the report be noted.

NO ACTION

PROPOSAL TO PROCEED 'IN CONFIDENCE'

Proposed by Councillor McAuley
Seconded by Alderman Magill and agreed

that any remaining Committee business be taken in Confidence.

The Chairperson advised that the live stream and audio recording would now cease.

5 ITEMS IN CONFIDENCE

5.1 IN CONFIDENCE FI/AUD/04 CONCERNS RAISED AND INVESTIGATIONS UPDATE

1. Purpose

The purpose of this report was to provide an update to Members on concerns raised and investigations.

2. Introduction / Background

Members were reminded that a report containing an update on concerns raised and investigations, since the Audit and Risk Committee last met in September 2023, was presented on a quarterly basis.

3. Key Points

A report containing an update on concerns raised and investigations was circulated.

Proposed by Councillor McAuley
Seconded by Councillor Bennington and agreed that

the update on concerns raised and investigations be noted.

NO ACTION

5.2 IN CONFIDENCE FI/AUD/02 INDEPENDENT AUDIT & RISK COMMITTEE MEMBER

1. Purpose

The purpose of this report was for Members to note the update on the recruitment of the new Independent Audit and Risk Committee Member.

2. Introduction / Background

Members were reminded that in December 2023, Council approved the recruitment of a new Independent Audit and Risk Committee Member, which would ensure the Committee's composition remained in line with the CIPFA

Audit Committees: Practical Guidance for Local Authorities and Police and the Local Government Auditor's recommendation of appointing an Independent Member to Audit Committees.

3. Key Points

Members were advised that the recruitment and selection process for the new Independent Member of the Audit and Risk Committee had been completed.

The successful candidate had accepted the appointment as Independent Member and would commence their role on 1 April 2024, attending their first Audit and Risk Committee meeting on 18 June 2024.

Proposed by Councillor McAuley
Seconded by Councillor Bennington and agreed that

the update on the recruitment of the new Independent Audit and Risk Committee Member be noted.

NO ACTION

PROPOSAL TO PROCEED OUT OF 'IN CONFIDENCE'

Proposed by Alderman Magill
Seconded by Councillor Bennington and agreed that

any remaining Committee business be taken in Open Session.

The Chairperson advised that audio recording would resume.

The Chairperson acknowledged the outgoing Independent Member's significant contribution to the work of the Committee, extending best wishes to Mrs Nesbitt for the future.

There being no further committee business the Chairperson thanked everyone for their attendance, and the meeting concluded at 7.37pm.

MAYOR