



**MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE AUDIT COMMITTEE HELD IN
ANTRIM CIVIC CENTRE ON TUESDAY 19 JUNE AT 6.30 PM**

- In the Chair** : Councillor S McCarthy
- Committee** : Alderman W DeCourcy
Councillors – T Girvan, P Hamill and M Rea
- Independent Member** : G Nesbitt
- Non-Committee
Members Present** : Councillor M Maguire
- Officers Present** : Chief Executive – J Dixon
Director of Organisation Development – A McCooke
Head of Internal Audit – P Caulcutt
Head of Finance – J Balmer
Head of Governance – L Johnston
Head of Performance & Transformation – H Hall
Head of Property & Building Services – B Doonan
Head of Community Planning – L Moore
Head of Environmental Health – C Todd
Head of Waste Management – M Lavery
Head of Arts and Culture – U Fay
Head of Communication & Customer Services – T White
Borough Lawyer – P Casey
ICT Systems Support – J Higginson
Governance Support Officer – D Conlan
- In attendance** : K Beattie (NI Audit Office)
B Bourke (Grant Thornton)
S Cole

CHAIRPERSON'S REMARKS

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

1. APOLOGIES

Councillor Hollis

2. DECLARATIONS OF INTEREST

None.

3. REPORT ON BUSINESS TO BE CONSIDERED

3.1 FI/AUD/2 REVIEW OF THE EFFECTIVENESS OF THE AUDIT COMMITTEE 2017/18

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

Appendix E of the guidance also provides an 'Evaluating the Effectiveness of the Audit Committee' self-assessment checklist which will enable the Committee to undertake and report on the assessment of their performance throughout the year.

On 22 May 2018, Members of the Audit Committee participated in a facilitated self-assessment review of the performance of the Audit Committee, where they completed the 'Evaluating the Effectiveness of the Audit Committee' self-assessment checklist.

The results of this review were circulated for Members' review.

The Committee thanked the Head of Internal Audit for his assistance with the review.

Proposed by Councillor Girvan
Seconded by Councillor Hamill and agreed that

the Committee approves the results of the self-assessment checklist, evaluating the effectiveness of the Audit Committee and that these results be reported to Council.

ACTION BY: Paul Caulcutt, Head of Audit

3.2 FI/AUD/2 AUDIT COMMITTEE ANNUAL REPORT 2017/18

Following on from the Review of the Effectiveness of the Audit Committee and in keeping with CIPFA's requirement that the Audit Committee "Report regularly on their work, and at least annually report an assessment of their performance", an Audit Committee Annual Report (a copy of which was circulated) has been prepared outlining the Audit Committee's activities during 2017/18 and how the Committee has discharged its roles and responsibilities.

Members were asked to review and agree the report prior to it being presented to Full Council. The Head of Internal Audit provided further clarification on the report.

Proposed by Councillor Girvan
Seconded by Alderman DeCourcy and agreed that

the Committee approves the Audit Committee Annual Report and that the report be presented to Council.

ACTION BY: Paul Caulcutt, Head of Internal Audit

3.3 FI/AUD/2 PREVIOUS ACTIONS

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

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

Item	Action	Progress update	Anticipated Completion Date
March 2018			
3.3 REVIEW OF THE EFFECTIVENESS OF THE AUDIT COMMITTEE			
(i)	A facilitated self-assessment session in May 2018 to be arranged.	Complete A self-assessment session was arranged and facilitated on 22 May 2018.	N/A

Item	Action	Progress update	Anticipated Completion Date
3.7	INTERNAL AUDIT UPDATE REPORT		
(i)	Head of Internal Audit to report back to Councillor Maguire on his additional queries.	Complete Head of Internal Audit discussed the queries with Councillor Maguire after the Audit Committee and addressed the issues raised.	N/A
3.8	RISK MANAGEMENT: RISK REPORTING AND COMMUNICATION		
(i)	Officers review the risk scoring attributed to the rate revaluation and rate appeals risk.	Complete Chief Executive and Head of Finance reviewed the risk scoring of the rate revaluation and rate appeals risk on 27 March 2018. Head of Finance met with Councillor Maguire on 28 March 2018 to discuss the risk process and to review the scoring of the rate revaluation and rate appeals risk on 27 March 2018.	N/A
(ii)	Future reports to contain explanations for any changes to the risk scoring.	Complete The Risk Management: Risk Reporting and Communication report now provides Members with explanations for changes to risk scoring.	N/A
3.12	FRAUD, WHISTLEBLOWING AND OTHER INVESTIGATIONS		
(i)	Minor changes to be made to the wording of the report as suggested by the Committee.	Complete The suggested amendments to the report have been made.	N/A

Proposed by Councillor Hamill

Seconded by Councillor Girvan and agreed that

RECOMMENDATION: that the previous actions update be noted.

NO ACTION

3.4 PT/CI/012 CORPORATE IMPROVEMENT PLAN 2017/18 – QUARTER 4 PROGRESS UPDATE

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 Improvement Plan 2017-18 was approved in June 2017 with seven identified improvement objectives.

A fourth quarter progress report was circulated for Members' attention.

Proposed by Mrs Nesbitt
Seconded by Councillor Rea and agreed that

the Corporate Improvement Plan 2017-18 progress report be noted.

NO ACTION

3.5 CE/OA/032 IMPROVEMENT AUDIT AND ASSESSMENT 2017/18: PROGRESS UPDATE

Members were reminded that Part 12 of the Local Government Act (Northern Ireland) 2014 (the Act) establishes that all Councils are under a general duty to make arrangements to secure continuous improvement in the exercise of their functions. The Department for Communities previously published 'Guidance for Local Government Performance Improvement 2016' in which Councils and the Local Government Auditor have to follow.

The Local Government Auditor carried out an improvement audit and improvement assessment for 2017-18 and a report was issued in November 2017.

The Local Government Auditor identified a number of proposals for improvement and Officers developed a corresponding action plan to respond to these proposals which were approved by the Audit Committee in Dec 2017.

A progress update was circulated for Members' attention.

Proposed by Councillor Hamill
Seconded by Councillor Girvan and agreed that

the report be noted.

NO ACTION

3.6 CE/GEN/74 ANNUAL BUSINESS PLAN 2017/18 – QUARTER 4 PROGRESS UPDATE

Members will recall that at the meeting of Full Council on 30 May 2017, Members agreed a new approach to business planning.

The consolidated Annual Business Plan replaced the separate Service business plans that were produced in previous years. The Plan contains all key projects to be undertaken in the 2017/18 financial year and therefore includes, inter alia, the seven projects identified as Corporate Improvement projects.

In summary, the revised Annual Business Plan approach has proved a more streamlined method of tracking and analysing performance, providing enhanced visibility.

The approved Annual Business Plan 2017-18 contains 216 actions to be delivered and a detailed progress report in terms of the achievement of these actions was circulated for Members' attention.

Using a traffic light scale, a high-level summary of the progress to date as at quarter four is as follows:

Actions	Number
Fully, Substantially or Partially Achieved	195
Achievement Outside Council Control	10
Awaiting Results/Funding Decision	11

Where results are as yet not available, these may be reported to individual Committees and/or included in the Annual Report of Performance which will be reported to Council in September 2018.

Proposed by Councillor Hamill
Seconded by Alderman DeCourcy and agreed that

the Annual Business Plan Quarter Four update be noted.

NO ACTION

3.7 PT/CI/013 CORPORATE IMPROVEMENT PLAN (FINAL DRAFT) 2018/19

Members were reminded that Part 12 of the Local Government Act (Northern Ireland) 2014 puts in place a new framework to support the continuous improvement of Council services, in the context of strategic objectives and issues.

Section 85 of the Act requires a Council, for each financial year, to set itself improvement objectives for improving the exercise of its functions and to have in place arrangements to achieve those objectives. These objectives must be framed so that each improvement objective bring about improvement in at least one of the specified aspects of improvement as defined in Section 86:

Strategic Effectiveness; Service Quality; Service Availability; Fairness; Sustainability; Efficiency; Innovation.

Guidance from the Department of the Environment, indicates that Councils should 'develop an on-going dialogue with our communities and areas that it serves, so that the setting of improvement objectives is a jointly owned process centred on a balanced assessment of the needs of the community as a whole, rather than any particular organisation or interest group within it.

A Corporate Improvement Plan (Draft for Consultation) 2018-19 was brought for Members' consideration in February 2018 and it was agreed to conduct a twelve-week consultation exercise to encourage feedback from our stakeholders.

On 1 March 2018 officers initiated a 12-week public consultation to derive feedback from Elected Members; Residents and Stakeholders; Local Businesses; Statutory and other community planning partners; and other bodies with which collaborative working is taking place or is being planned.

An online questionnaire on the Council's corporate website / consultation hub enabled the Council to seek opinions on the range of corporate improvements as set out in the draft Plan. An article was included in the Council's magazine 'Borough Life', and was advertised on social media (Facebook and Twitter) and the Council's employee app 'iConnect'. In addition, officers emailed a copy of the Plan to all their key stakeholders for their comment and feedback.

The public consultation closed on 24th May 2018 and 52 responses were received. A summary of the consultation responses was reported to the Council meeting in May 2018.

The final draft of the Corporate Improvement Plan 2018-19 (a copy of which was circulated) was amended to update final year-end figures, and to reflect comments made in relation to objective three about the provision of digital services. The objective had been updated to reassure residents that we will operate using a wide range of platforms and continue to provide accessible and inclusive services that meet the needs of our residents.

In addition, objective five had been amended to reflect comments in relation helping existing businesses in the Borough. The objective has been updated to reflect further information on the business mentoring programme which supports business to grow and develop through specialist one-to-one business mentoring support. The programme aims to attract 200 businesses and create 165 jobs over the next 2.5 years.

Other comments and feedback will be incorporated into the implementation plans derived out of the final Corporate Improvement Plan 2018-19.

Proposed by Councillor Girvan
Seconded by Councillor Hamill and agreed that

the report be noted.

NO ACTION

3.8 FI/AUD/1 INTERNAL AUDIT UPDATE REPORT

A report containing a summary of Internal Audit activity since the Audit Committee last met on 21 March 2018 was circulated. The report includes the objectives and conclusions reached for each completed engagement and management comments as applicable.

The Head of Internal Audit expanded on the findings in the report and answered Members queries. Mrs Nesbitt commented on the positivity of the report in highlighting areas of good practice and also commended the Council on the merging of the legacy Council's policies and procedures. Councillor Girvan thanked the Head of Internal Audit and his team for their work.

Proposed by Councillor Girvan
Seconded by Alderman DeCourcy and agreed that

the report be noted.

NO ACTION

Alderman DeCourcy and Councillor Rea left the Chamber at this point of the meeting.

3.9 FI/AUD/1 INTERNAL AUDIT ANNUAL REPORT 2017/18

In accordance with the Public Sector Internal Audit Standards (PSIAS), the Internal Auditor is required to provide an annual opinion on the overall adequacy and effectiveness of the Council's system of internal control. This opinion is based upon and is limited to the work performed during the year.

An annual opinion has been provided for Antrim and Newtownabbey Borough Council in the respective Internal Auditor's Annual Report (copy of which was circulated) for the year ending 31 March 2018.

The Chairperson thanked Officers for their hard work in the production the report.

Proposed by Councillor Girvan
Seconded by Mrs Nesbitt and agreed that

the report be noted.

NO ACTION

3.10 FI/AUD/1 QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME 2017/18

The Public Sector Internal Audit Standards (PSIAS) requires Internal Audit “to develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity.”

The results of the quality assurance and improvement programme must be communicated to the Audit Committee and the Corporate Leadership Team.

The annual review of the Quality Assurance Improvement Programme has been completed for Internal Audit and a copy was circulated for Members consideration.

Proposed by Councillor Hamill
Seconded by Councillor Girvan and agreed that

the report be noted.

NO ACTION

3.11 FI/AUD/1 REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL CONTROL 2017/18

The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015, requires that “a local government body shall conduct a review at least once in each financial year of the effectiveness of its system of internal control” and that “the findings of the review... must be considered at a meeting either of the local government body as a whole or a committee of the local government body whose remit includes audit of governance functions” so that this review will inform the approval of the Annual Governance Statement.

The annual review of the Effectiveness of the System of Internal Control has been completed for Antrim and Newtownabbey Borough Council and a copy was circulated for Members consideration.

Proposed by Councillor Girvan
Seconded by Councillor Hamill and agreed that

the report be noted.

NO ACTION

3.12 FI/AUD/1 ANNUAL GOVERNANCE STATEMENT 2017/18

The Council is required to publish a Governance Statement with its annual statement of accounts. This statement is consistent with the principles of the CIPFA/SOLACE Framework ‘Delivering Good Governance in Local

Government,' and outlines how the Council is complying with the Framework. This statement also meets the requirements of Regulation 4(2) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 in relation to the review of the system of internal control.

The Annual Governance Statement 2017/18 has been completed for Antrim and Newtownabbey Borough Council and a copy was circulated for Members review.

Proposed by Councillor Girvan
Seconded by Councillor Hamill and agreed that

that the report be noted.

NO ACTION

3.13 FI/FIN/SOA/04 STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

The draft Statement of Accounts was circulated for the year ended 31 March 2018 for Members' consideration.

The Local Government Accounts and Audit Regulations (Northern Ireland) 2015 regulates that the Statements of Accounts be formally considered and approved no later than 30 September following the end of the financial year to which the accounts relate.

Independent audit of the Statement of Accounts will now proceed and an audited final Statement of Accounts will be brought back to the Audit Committee in September 2018.

Proposed by Councillor Girvan
Seconded by Councillor Hamill and agreed that

(a) the Committee notes the draft Statement of Accounts;

and

(b) the draft Statement of Accounts be signed and dated by the Chief Executive.

NO ACTION

**3.14 FI/FIN/SOA/04 NIAO: ANTRIM AND NEWTOWNABBEY BOROUGH
COUNCIL: AUDIT OF 2017/18 STATEMENT OF ACCOUNTS - AUDIT STRATEGY**

The External Audit Strategy for the audit of the 2017/18 Statement of Accounts has now been received (a copy of which was circulated) which provides a clear understanding of how the NIAO plan to carry out the audit of the 2017/18 financial statements and the key risks identified in their planning work.

Karen Beattie from NIAO and Bronagh Bourke from Grant Thornton provided further information on the report and highlighted their proposed actions for the Audit Committee.

Proposed by Councillor Hamill
Seconded by Councillor Girvan and agreed that

the report be noted.

NO ACTION

3.15 FI/AUD/3 RISK MANAGEMENT: RISK REPORTING AND COMMUNICATION

The following parameters are now reported and presented to Committee on a quarterly basis.

- New risks added to the Corporate Risk Register (regardless of level of risk), and any closed risks
- Changes in risk level (regardless of risk level).
- Profile of the existing Corporate Risks (currently 22 risks) and the associated Risk Scores.

The current profile confirms there are two new risks and no closed risks. The new risks relate to:

1. Bonfires on council owned land
2. Brexit

The Information Governance residual risk score has increased due to the commencement of the GDPR Regulations on the 25th May. The likelihood score has been increased from 3 to 4, increasing the residual risk score from 24 to 32. Whereas arrangements are in place and an action plan continues to be managed, a level of uncertainty remains in the absence of clear guidance from the ICO and the absence of case law.

The ICT residual risk continues to reflect the need to provide a new telephony system. This will be installed and operational by the end of June 2018.

Existing Profile of the Council's Corporate Risk Register (As of 13/06/18)

Risk Number	Title	Total Risk Score		Changes
		Inherent	Residual	In risk level
Corporate Risk Register				
CPR000010	Budgetary Control	44	27	None
CPR000044	ICT Infrastructure	36	28	None
CPR000045	Adequate Reserves	36	6	None
CPR000046	Statutory and Regulatory Obligations	24	8	None
CPR000047	Procurement	40	12	None
CPR000014	Risk Management	36	24	None
CPR000015	Health, Safety and Wellbeing	52	21	None
CPR000016	Emergency Planning and Business Continuity	33	16	None
CPR000017	Governance Arrangements	64	24	None
CPR000018	Information Governance	48	32	+8
CPR000019	Legal Issues	40	18	None
CPR000020	Skills and Knowledge	44	28	None
CPR000021	Safeguarding	36	18	None
CPR000022	Sickness Absence	44	21	None
CPR000023	Employee Relations	56	27	None
CPR000024	Employee Engagement	36	27	None
CPR000025	Council Reputation	44	21	None
CPR000026	Customer Satisfaction	36	28	None
CPR000203	Landfill and Waste Framework Directives	48	24	None
CPR000361	Council Policies and Procedures	28	21	None
CPR000246	Crematorium and Burial Provision	30	30	None
CPR000433	Rate revaluation and rate appeals	36	21	None
CPR000444	Bonfires on Council owned land	32	16	New
CPR000445	Brexit	32	15	New

The Risk Register continues to be actively managed by Directors and Heads of Service.

Councillor Hamill asked whether the procurement risk had been reviewed in light of the Ombudsman report. Officer highlighted a number of measures which had been put in place for staff.

Proposed by Councillor Hamill
Seconded by Councillor Girvan and agreed that

Committee note the current Profile reported in accordance with the agreed reporting protocol.

NO ACTION

3.16 FI/AUD/4 DOA (DoF) 03/18 – AUDIT AND RISK ASSURANCE COMMITTEE HANDBOOK (NI) 2018

The Department of Finance advised (through DAO (DoF) 03/08 – a copy of which was circulated) of an updated version of the Audit and Risk Assurance Committee Handbook (NI) 2018 (also circulated).

This revised version of the Handbook continues to set out a clear set of principles that should be followed by Audit and Risk Assurance Committees.

The essence of these principles have not changed, however the areas of whistleblowing and cyber security have been included.

Proposed by Councillor Girvan
Seconded by Councillor Hamill and agreed that

the report be noted.

NO ACTION

3.17 FI/AUD/4 NAO: GOOD PRACTICE GUIDE – CYBER SECURITY AND INFORMATION RISK GUIDANCE FOR AUDIT COMMITTEES

As previously reported, an action plan was developed by Members as a result of the 2017/18 Review of the Effectiveness of the Audit Committee.

One of the actions was for the Audit Committee to consider ICT Cyber and Information Security as a potential wider area of scrutiny for the Audit Committee to undertake.

To enable Members to consider this, the National Audit Office's (NAO) Good Practice Guide – Cyber Security and Information Risk Guidance for Audit Committees, was circulated.

Proposed by Mrs Nesbitt
Seconded by Councillor Girvan and agreed that

the report be noted and that Officers consider the recommendations in the NAO Good Practice Guide – Cyber Security and Information Risk Guidance

for Audit Committee and bring a report back to a future sitting of the Audit Committee.

ACTION BY: Paul Caulcutt, Head of Internal Audit.

3.18 FI/AUD/4 NIPSO: INVESTIGATION OF A COMPLAINT AGAINST ANTRIM AND NEWTOWNABBEY BOROUGH COUNCIL

A report for Members (copy of which was circulated) has been prepared in respect to the publication of the Northern Ireland Public Services Ombudsman's investigation report (a copy which was also circulated) into a complaint against Antrim and Newtownabbey Borough Council.

The Chief Executive expanded on report and outlined in detail what actions had been put in place, which go above and beyond what the Ombudsman had recommended.

Members welcomed the stringent measures and safeguards that had been put in place.

Proposed by Councillor Girvan
Seconded by Councillor Hamill and agreed that

the report be noted.

NO ACTION

PROPOSAL TO PROCEED 'IN CONFIDENCE'

Proposed by Councillor Girvan
Seconded by Councillor Hamill and agreed that

any remaining Committee business be taken in Confidence.

3.19 IN CONFIDENCE FI/AUD/4 NIPSO: INVESTIGATIONS

There are currently no Northern Ireland Public Services Ombudsman's investigations for Members' consideration.

Proposed by Councillor Girvan
Seconded by Councillor Hamill and agreed that

the report be noted.

NO ACTION

3.20 IN CONFIDENCE FI/AUD/4 FRAUD, WHISTLEBLOWING AND OTHER INVESTIGATIONS

A report containing a progress update on fraud, whistleblowing and other investigations, since the Audit Committee last met on 21 March 2018, was circulated. The report includes details of new, completed and ongoing investigations.

Proposed by Councillor Girvan
Seconded by Councillor Hamill and agreed that

the report be noted.

NO ACTION

PROPOSAL TO PROCEED OUT OF 'IN CONFIDENCE'

Proposed by Councillor Girvan
Seconded by Councillor Hamill and agreed that

any remaining Committee business be taken in Open Session.

The Chairperson advised that the audio-recording would re-commence at this point.

4. ANY OTHER RELEVANT BUSINESS

- (1) *The Head of Internal Audit reminded Members that if they required any further Audit Committee or Financial training, this could be arranged through the Director of Organisation Development's Team.*

ACTION BY: Paul Caulcutt, Head of Internal Audit

- (2) *The Chairperson asked the Committee to agree to the protocol already in place that if any Member intends to bring any other business to the Audit Committee that they inform the Chairperson and the Chief Executive at least 3 working days in advance.*

- (3) *Karen Beattie from the Northern Ireland Audit Office drew the Members attention to a Good Practice Guide on Performance Management Outcomes that has just been produced by NIAO and is available for Members' consideration. It was agreed that a response would be brought to Committee in due course.*

ACTION BY: Paul Caulcutt, Head of Internal Audit

There being no further business the meeting ended at 8.21 pm.

MAYOR