



**MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE AUDIT AND RISK COMMITTEE
HELD IN ANTRIM CIVIC CENTRE ON TUESDAY 20 SEPTEMBER 2022 AT 6.30 PM**

- In the Chair** : Councillor A Bennington
- Committee Members Present (In Person)** : Councillors – B Webb
- Independent Member (Remote)** : G Nesbitt
- Members Present (Remote)** : Councillors – R Wilson, B Mallon, J Montgomery
- Officers Present** : Deputy Chief Executive of Finance and Governance – S Cole
Head of Internal Audit – P Caulcutt
Head of Finance – R Murray
Director of Organisation Development – D Rogers
Deputy Director of Finance – J Balmer
Deputy Director of Performance and Governance (Interim) – L Johnston
Head of ICT – Graham Smyth (Remote)
Performance and Transformation Manager – L Millar
Audit and Risk Officer - D Brown
PA to Director of Finance and Governance – D Lynn
ICT Helpdesk Officer – D Mason
ICT Helpdesk Officer – J Wilson
- In attendance: (Remote)** A Allen – NIAO
C Hagan – ASM Accountants

CHAIRPERSON'S REMARKS

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

In order to protect public health during the current COVID-19 emergency it was not possible to allow the public or the press to physically attend the meeting.

The public and the press can access those parts of the meeting which they are entitled to attend via livestream (a link to which is on the Council website). The meeting minutes and audio recording would be published on the Council's website.

The Chairperson extended a welcome to Andrew Allen from the NI Audit Office and Christine Hagan from ASM Accountants.

The Chairperson, further welcomed Denise Brown, Audit and Risk Officer and Lesley Millar, Performance and Transformation Manager, who have recently joined the Council.

1. APOLOGIES

Councillor Goodman

2. DECLARATIONS OF INTEREST

None

3. ITEMS FOR DECISION

3.1 FI/FIN/SOA/08 ANNUAL GOVERNANCE STATEMENT 2021/22

Members were reminded that a copy of the draft (unaudited) Statement of Accounts for the year ended 31 March 2022, including the Annual Governance Statement, was presented at the June Audit and Risk Committee.

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

A copy of the updated Annual Governance Statement 2021/22 was circulated with the most significant amendments highlighted in red for Members information.

Regulation 4(4) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 also required 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."

Proposed by Councillor Montgomery
Seconded by Councillor Wilson and agreed that

(a) the Committee approves the Annual Governance Statement 2021/22;

and

(b) the Annual Governance Statement 2021/22 be signed and dated by the Chair of the Audit and Risk Committee.

ACTION BY: Liz Johnston, Deputy Director of Performance and Governance (Interim)

3.2 FI/FIN/SOA/08 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Members were reminded that details of the (unaudited) Statement of Accounts for the year ended 31 March 2022, was presented at the June Audit and Risk 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 required 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 were reminded that the Council delegated authority in April 2015, to the Audit and Risk Committee to approve the Statement of Accounts. The audited Statement of Accounts for Antrim and Newtownabbey Borough Council for the year ended 31 March 2022 were circulated.

Christine Hagan from ASM Accountants provided Members with a brief summary.

Members acknowledged the importance of the cost of fuel being highlighted in the Statement of Accounts.

Proposed by Councillor Webb
Seconded by Councillor Montgomery

and agreed that

(a) the Committee approves the Statement of Accounts for the year ended 31 March 2022;

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

ACTION BY: Richard Murray, Head of Finance

4 ITEMS FOR INFORMATION

4.1 FI/FIN/SAO/08 NIAO: REPORT TO THOSE CHARGED WITH GOVERNANCE 2021/22 (DRAFT)

Members were advised that the Local Government Auditor had completed the audit of the Statement of Accounts for the year ended 31 March 2022 and had now issued the draft Report to Those Charged with Governance which were circulated.

A copy of the final Report to Those Charged with Governance would be presented at the next Committee meeting in December 2022.

Christine Hagan from ASM Accountants provided a summary of findings detailed within the report.

In response to Members queries, the Deputy Chief Executive of Finance and Governance and the Director of Organisation Development provided further information in relation matters in the report.

Proposed by Councillor Montgomery
Seconded by Councillor Wilson and agreed that

an action plan be brought back to Committee outlining the matters raised within the Report to Those Charged with Governance 21/22

ACTION BY: Sandra Cole, Deputy Chief Executive of Finance and Governance / Richard Murray, Head of Finance

4.2 PT/CI/029 2021-22 ANNUAL SELF-ASSESSMENT REPORT ON PERFORMANCE

Members were reminded that under Part 12 of the Local Government Act (Northern Ireland) 2014, Section 92(2)(b)(i) & (ii) of the Act required the Council to publish an assessment of its performance for 2021-22.

Members were advised that a final draft of the Annual Self-Assessment Report on Performance 2021-22 had been prepared and was circulated for Members' attention.

This report provided an assessment of the Council's performance for 2021-22 in relation to its statutory performance and self-imposed indicators. In line with the legislation, it included a comparison of performance against previous financial years and where possible, benchmarked against other Councils.

Proposed by Councillor Webb
Seconded by Councillor Montgomery and agreed that

the report be noted.

NO ACTION

**4.3 PT/CI/038 RECOVERY PLAN 2022/23 - PERFORMANCE PROGRESS
REPORT QUARTER 1**

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

The Council's Corporate Recovery and Improvement Plan 2022-23 was approved in June 2022. This set out a range of challenging performance targets, along with four identified improvement objectives and a number of Statutory Performance Targets.

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

Proposed by Councillor Wilson
Seconded by Councillor Montgomery and agreed that

the report be noted.

NO ACTION

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

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

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

Item	Action	Progress update	Anticipated Completion Date
December 2019			
4.3 NIAO: PERFORMANCE IMPROVEMENT AUDIT AND ASSESSMENT REPORT 2019/20			
(i)	The Independent Member sought clarification on the timeline on the proposal for improvement relating to self-imposed indicators and standards, and asked if the Working Group's Terms of Reference could be provided to Members, which was agreed.	<p>In Progress</p> <p>A draft Terms of Reference for the Local Government Performance Improvement Working Group has been developed and was to be brought to their meeting on 24 March 2020 for agreement. This meeting was postponed and the Terms of Reference is due to be brought to a meeting at a future date. There has been no further direction or development on this matter. Council officers continue to participate in the Local Government Performance Improvement Working Group, which is discussing options with the DfC and NIAO.</p>	No Further Update
December 2021			
4.6 Internal Audit Update Report			
(i)	A report be brought back to the Committee on contract management actions for improvement.	<p>In Progress</p> <p>A verbal update will be provided to Members.</p>	
(iii)	Elected Members and Audit Committee Members to receive contract management training and procurement training.	<p>In Progress</p> <p>A verbal update will be provided to Members.</p>	
June 2022			
3.1 Audit and Risk Committee Annual Report 2021/22			
(i)	That the Committee approves the Audit and Risk Committee Annual Report, with an addition to Section 3, "that the Audit and Risk Committee can raise any issues in Any Other Business", and that the report be provided to Full Council.	<p>Complete</p> <p>The addition was made to Section 3 of the report and circulated to Members on 22 June. The amended Annual Report was provide to Full Council in June 2022.</p>	N/A

Item	Action	Progress update	Anticipated Completion Date
4.1	Recovery Plan – Performance Progress Report Quarter 4		
(i)	Members requested further information to be provided to them on Covid absences and a further report be provided to the Committee Members before September.	Complete A report on managing attendance is included within this Committee's agenda.	N/A

Proposed by Councillor Mallon
 Seconded by Councillor Montgomery and agreed that

the report be noted.

NO ACTION

4.5 FI/AUD/01 INTERNAL AUDIT UPDATE REPORT

A report containing a summary of Internal Audit activity since the Audit and Risk Committee last met on 21 June 2022 was circulated. The 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).

The Head of Internal Audit provided clarification in response to Members' queries.

Proposed by Councillor Wilson
 Seconded by Councillor Montgomery and agreed that

an update report be brought back to committee on post project evaluations.

ACTION BY: John Balmer, Deputy Director of Finance

4.6 FI/AUD/03 CORPORATE RISK REGISTER

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

All Corporate risks have 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 the risks, was circulated for Members review.

Proposed by Councillor Wilson
Seconded by Councillor Webb and agreed that

the report be noted.

NO ACTION

4.7 FI/AUD/02 NATIONAL FRAUD INITIATIVE REPORT: NORTHERN IRELAND

The Comptroller and Auditor General for Northern Ireland recently published the National Fraud Initiative: Northern Ireland report, circulated, setting out the outcomes from the 2020 National Fraud Initiative (NFI) exercise.

The NFI was a data matching exercise run every two years, with public bodies, including Government departments, agencies, non-department public bodies, councils and health sector bodies participating, to help identify potentially fraudulent and erroneous transactions.

The report highlighted that during the reporting period April 2020 to March 2022, for Northern Ireland, almost £272,000 of fraud and error had been detected and recovered, with a further estimated £4.2million of potential fraudulent or erroneous payments prevented. It was further highlighted that the majority of the outcomes for Northern Ireland related to pensions.

The report also highlighted that during the reporting period, £40,000 in duplicate payments had been identified and recovered across Northern Ireland.

Members would recall that in September 2021 a report was provided to the Committee on the outcomes of Antrim and Newtownabbey Borough Council's NFI exercise, this report advised that a duplicate payment of £1,768 had been identified and recovered from the relevant supplier.

Proposed by Councillor Montgomery
Seconded by Councillor Webb and agreed that

the report be noted.

NO ACTION

4.8 FI/AUD/112 NATIONAL FRAUD INITIATIVE 2022

Background

The National Fraud Initiative (NFI) was a data matching exercise run by the Audit Commission and was designed to help participating bodies identify possible cases of fraud and detect and correct under or overpayments from the public purse.

NI Position

The Comptroller and Auditor General for Northern Ireland (C&AG), Head of the Northern Ireland Audit Office (NIAO), had statutory powers to conduct matching exercises for the purpose of assisting in the prevention and detection of fraud. These powers were contained in the Serious Crime Act 2007, which inserted Articles 4A to 4H to the Audit and Accountability (Northern Ireland) Order 2003.

The Council must participate in this exercise and supply the following information for matching to that of other public sector bodies to identify possible fraud or error:

1. Payroll – total payments made to current employees and members from 1 April 2022 to 30 September 2022; and
2. Trade Creditors payment history and standing data – payment history from 1 October 2019 to 30 September 2022 and the current Creditor information held at the date of date extract (from 7 October 2022).

Where a match was found, it indicated that there was an inconsistency that may require further investigation to establish what had caused the match and any further action that may be deemed necessary. Examples of possible matches were as follows:

- An employee with the Council who had a second employment with another Council or public body;
- An employee who was also a supplier to the Council or had been paid through Creditors;
- Suppliers who were associated with other suppliers, eg. through address.

Results notification and possible action

Data extracted would then be matched with other Public Sector datasets and prioritised into the order of how closely the dataset matches. Matches would be available from Thursday 26 January 2023.

The Council was responsible for investigating these matches. All matches would be considered by the Head Internal Audit, who would determine further action if appropriate including invocation of the Fraud Response Plan.

Data Transfer

Datasets must be provided to the Audit Commission from 7 October 2022.

A secure electronic upload facility was available enabling data for NFI to be submitted directly from local computers. This facility was contained within the existing secure NFI web application and consequently provided the same controlled access environment. It featured an Advanced Encryption

Standard (AES) 256 Secure Sockets Layer encryption and enabled data files to be password protected. No other method of data transfer to the NFI was acceptable.

Access to the NFI website would be restricted to those officers deemed necessary by the Chief Executive.

Participating bodies

Organisations participating in this exercise were those that provide data to the Comptroller and Auditor General, or his agents (such as the Audit Commission), for the purposes of a data matching exercise, which may be on either a mandatory or voluntary basis.

Mandatory bodies were those bodies whose accounts were required to be audited by:

1. the Comptroller and Auditor General, except for bodies audited by the Comptroller and Auditor General by virtue of section 55 of the Northern Ireland Act 1998; or
2. a Local Government Auditor.

Since the Council's accounts were audited by a Local Government Auditor the Council must supply the required information.

Other mandatory participants included Central Government, Education Boards, and Health Trusts throughout the United Kingdom.

Further information was available on the Council's website at:

<http://www.antrimandnewtownabbey.gov.uk/Council/Procurement/National-Fraud-Initiative>

or by contacting Paul Caulcutt, Head of Internal Audit on 028 9446 3113 ext. 31395 or at paul.caulcutt@antrimandnewtownabbey.gov.uk.

Proposed by Councillor Mallon
Seconded by Councillor Webb and agreed that

the report be noted.

NO ACTION

The Chairperson advised that Any Other Business would be taken at this point of the meeting.

6. ANY OTHER BUSINESS

There was no Any Other Business.

PROPOSAL TO PROCEED 'IN CONFIDENCE'

Proposed by Councillor Montgomery
Seconded by Councillor Webb 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 FOR CONFIDENCE

5.1 IN CONFIDENCE ICT/GEN/020 CYBER SECURITY

Maintaining the Councils Cyber Security remained a priority for the ICT Department. The Covid-19 pandemic had caused an unprecedented demand on IT resources due to the increased use of technology to deliver Council services.

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Proposed by Councillor Webb
Seconded by Councillor Montgomery and agreed that

the report be noted.

NO ACTION

5.2 IN CONFIDENCE HR/GEN/019 MANAGING ATTENDANCE – UPDATE REPORT

At the Audit and Risk Committee in June 2022, it was agreed that a further report be provided to Members on the actions being taken to address the high absence figures and details of Covid absences for the period 1 April 2021 to 31 March 2022.

Members were reminded that during this time the Council went through a significant period of restructure, including Voluntary Severance, and Officers continued to work through the implementation of the new structures.

We continued to manage a number of vacancies in a challenging recruitment environment. The length of time it could take to fill posts, and

with the operation of a separate internal and external recruitment process, could at times cause additional pressure and impact increased absence rates.

The ongoing Trade Union dispute had delayed the progression of planned work to harmonise our Terms and Conditions of employment, including the Absence Policy. It was anticipated that we would be in a position to progress this harmonisation as a key priority in September 2022, subject to Trade Union agreement.

Absence figures were reported monthly to the Policy & Governance Committee. They were also reported monthly to the Corporate Leadership Team to ensure that senior leaders could manage absence within their areas.

Significant actions were taken to maintain rigour of the management of attendance as outlined below:-

Targeted actions

- The Head of Human Resources and Human Resources Manager held bi-monthly meetings with the relevant Deputy Chief Executive, Director, Deputy Director and Head of Service to schedule formal case reviews where appropriate, and to agree the next steps for any complex cases.
- Monthly case management meetings were held to review complex cases with an Occupational Health Consultant. Case Managers attended these sessions to upskill their capability to manage absence, ensure effective use of the Occupational Health Service and support an earlier return to work where possible.
- Information was provided to Heads of Service on an in-depth analysis of sickness absence patterns and trends.
- Human Resource Officers worked directly with Line Managers on absence cases and agreed action plans to manage cases effectively.
- Training commenced for Line Managers on how to effectively manage their absence caseloads and how to have difficult conversations. Absence management tool-kits were under development to support Line Managers.
- Wellness meetings were held in person, or virtually as required, with absent employees and Line Managers to maintain regular contact.
- Suitable return to work options were identified e.g. alternative duties across the Organisation.
- Timely referrals to Occupational Health (Consultant or Nurse) and the use of physio provision where appropriate, including reviewing the effectiveness of these services.
- For employees who had triggered the absence threshold, Line Managers and Human Resource Officers would ensure absence review meetings were carried out in a timely manner.

- Ongoing promotion of the wellbeing resource tool, 'STAYWELL' across the Organisation, in addition to the ongoing support services from Inspire and the courses available through the Northern Region Recovery College (Northern Health & Social Care Trust).

Wellbeing focus

The Council remained focused on prevention and early intervention in managing absence through encouraging health and wellbeing in the workplace, and would continue to offer and implement the following initiatives:

- Promotion of an Employee Assistance Programme through Inspire offering 24/7 confidential support
- Health checks
- Breast screening through Action Cancer
- Occupational Health referrals and Physio treatments
- Bike to Work Scheme
- Annual Flu Vaccination Programme
- Mental Health briefings and online courses for employees and Line Managers
- Facilitating access to Council leisure facilities through the staff leisure membership scheme.

Work was underway to develop an Absence Improvement Action Plan for 2022-2023 and following consultation this would be shared with Members. It was envisaged that the Plan would incorporate the targeted actions noted, whilst also including key principles and good practice as set out within the Northern Ireland Audit Office Guidance 2020.

COVID absence

During the period 1 April 2021 to 31 March 2022, Covid sickness absence accounted for 633.37 days, 1.29 average days lost per employee. Records for employees who were self-isolating within Government guidelines were not included in accordance with National Joint Council (NJC) guidance. Additionally, these records would not be an accurate reflection of days lost given that a significant number of these cases continued to work whilst self-isolating at home.

Due to the exceptional circumstances, and in accordance with NJC guidance, targets and triggers for any absence connected with Covid were suspended and therefore excluded from the reported figure of 14.7 days. Had this been included the figure would have been 15.99 average days lost per employee (self-isolation cases excluded).

The Director of Organisation Development provided clarification in response to Members' queries.

Proposed by Councillor Webb
Seconded by Councillor Wilson and agreed that

the report be noted and a further report be brought to Policy & Governance Committee providing costings for staff and Elected Members Healthcare provision for consideration.

ACTION BY: Debbie Rogers, Director of Organisation Development

5.3 IN CONFIDENCE FI/AUD/04 NIPSO: INVESTIGATIONS – COUNCIL SERVICES

There were currently no Northern Ireland Public Services Ombudsman's investigations in respect to Council services for Members consideration.

Proposed by Councillor Webb
Seconded by Mrs Nesbitt and agreed that

the report be noted.

NO ACTION

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

A report containing an update on concerns raised and investigations, since the Audit and Risk Committee last met in June 2022, was circulated.

In response to Members queries, the Head of Internal Audit provided clarification on matters raised within the report.

Proposed by Councillor Montgomery
Seconded by Councillor Webb and agreed that

the report be noted and a further report be brought back to Committee in relation to the Time Management System in operation in Council.

ACTION BY: Debbie Rogers, Director of Organisation Development

PROPOSAL TO PROCEED OUT OF 'IN CONFIDENCE'

Proposed by Councillor Wilson
Seconded by Councillor Webb and agreed that

any remaining Committee business be taken in Open Session.

The Chairperson advised that audio recording would resume.

There being no further Committee business the Chairperson thanked everyone for their attendance, and the meeting concluded at 19:48 pm

MAYOR

Council Minutes have been redacted in accordance with the Freedom of Information Act 2000, the Data Protection Act 2018, the General Data Protection Regulation, and legal advice.