



**MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE AUDIT COMMITTEE HELD IN  
MOSSLEY MILL ON WEDNESDAY 9 DECEMBER AT 6.30 PM**

- In the Chair** : Councillor V McWilliam
- Committee** : Councillors – A Bennington, M Goodman, P Hamill  
R Lynch and B Webb
- Independent Member** : G Nesbitt
- Non Committee Members Present** : Councillor N Ramsay
- Officers Present** : Director of Finance and Governance – S Cole  
Head of Internal Audit – P Caulcutt  
Head of Finance - J Balmer  
Head of Performance & Transformation – H Hall  
IT Systems Support – J Higginson  
ICT Helpdesk Officer – D Mason  
Member Services Officer – S Boyd
- In attendance:** A Allen – NIAO  
J McCallion – ASM Accountants

**CHAIRPERSON'S REMARKS**

The Chairperson welcomed everyone to the quarterly Audit 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 live stream (a link to which is on the Council website). The meeting minutes and audio recording will be published on the Council's website.

**1. APOLOGIES**

None

**2. DECLARATIONS OF INTEREST**

None

### **3. ITEMS FOR DECISION**

#### **3.1 FI/FIN/SOA/06 ANNUAL GOVERNANCE STATEMENT 2019/20**

Members were reminded that at the September Audit Committee an updated Annual Governance Statement was provided, highlighting a number of minor amendments that had been suggested by External Audit on completion of their review of the draft Annual Governance Statement.

The Audit Committee was now required to approve the Annual Governance Statement in accordance with Regulation 4(4) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015, which 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."

A copy of the final Annual Governance Statement 2019/20 was circulated, with no further amendments having been made since the September Audit Committee.

Proposed by Councillor Webb

Seconded by Councillor Bennington and agreed that

- (a) the Committee approves the Annual Governance Statement 2019/20; and**
- (b) the Annual Governance Statement 2019/20 be signed and dated by the Chair of the Audit Committee.**

*ACTION BY: Paul Caulcutt, Head of Internal Audit*

#### **3.2 FI/FIN/SOA/06 STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

Members were reminded that an updated draft Statement of Accounts for Antrim and Newtownabbey Borough Council for the year ended 31 March 2020 was provided to them at the September Audit Committee.

Members are further reminded that at the time of the September Audit Committee, the Northern Ireland Audit Office had still to conduct the final review of the revised draft Financial Statements and once their review was complete, the final Financial Statements would be provided to the Audit Committee for approval.

This approval is in accordance with The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the delegated authority to approve the Statement of Accounts, provided by the Council to the Audit Committee in April 2015.

The Northern Ireland Audit Office has now completed their review and the final audited Statement of Accounts for Antrim and Newtownabbey Borough Council for the year ended 31 March 2020 was circulated.

The Head of Finance answered Members questions and agreed to provide Members with additional information.

Proposed by Councillor Webb

Seconded by Councillor Hamill and agreed that

- (a) the Committee approves the Statement of Accounts for the year ended 31 March 2020; and**
- (b) the Statement of Accounts be signed and dated by the Chair of the Audit Committee.**

*ACTION BY: John Balmer, Head of Finance*

### **3.3 FI/AUD/01 INTERNAL AUDIT PLAN 2020/21**

Members were reminded that in June 2020, as a consequence of COVID-19, the Audit Committee agreed the deferral of the Internal Audit Plan 2020/21, as approved in March 2020, and that a quarterly Internal Audit Plan, reflecting the changing risk environment of the Council would be brought to the Audit Committee for consideration and approval.

The deferred 2020/21 Internal Audit Plan has been considered with the view of incorporating audits into the Plan for the remainder of the year. As such, for the period to March 2021, it is proposed to include the following engagements:

- i. Completion of the Payroll audit.
- ii. Central Stores – providing assurance over a full stock take to provide valuation for inclusion within the new finance system.
- iii. Policies and Procedures – to review compliance with the Policy and Procedures update timetable.
- iv. Business Continuity and Emergency Planning – to provide assurance that all Service Business Continuity and Emergency Plans have been updated to take account of revised Emergency Planning measures.
- v. National Fraud Initiative (NFI) – review of data matches received, including the identification of those matches requiring further investigation.
- vi. Continue to provide advice and guidance on internal control matters.
- vii. Data Migration – to assist Finance with the data migration work required for the implementation of the new Finance System.

Proposed by Councillor Bennington  
Seconded by Councillor Hamill and agreed that

**the Internal Audit Plan for the period to March 2021 be approved.**

*ACTION BY: Paul Caulcutt, Head of Internal Audit*

### **3.4 FI/AUD/02 REVIEW OF THE EFFECTIVENESS OF THE AUDIT COMMITTEE 2020/21**

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 on their performance”.

Members are also reminded that in previous years, Members of the Audit Committee participated in a facilitated self-assessment review of the performance of the Audit Committee.

This self-assessment included the completion of an ‘Evaluating the Effectiveness of the Audit Committee’ checklist which enabled the Committee to undertake and report on the assessment of their performance throughout the year. This assessment and the Audit Committee Annual Report were then reported to the Audit Committee and Council.

The Review of the Effectiveness of the Audit Committee for 2020/21 is now due. To assist the Audit Committee in completing this review, we are proposing to facilitate a self-assessment session for Members in February 2021, with a suitable date being agreed with Members in due course.

Proposed by Councillor Bennington  
Seconded by Councillor Webb and agreed that

- i. a facilitated self-assessment session be approved; and**
- ii. the self-assessment session for Members be held on Wednesday 10 February 2021.**

*ACTION BY: Paul Caulcutt, Head of Internal Audit*

### **3.5 FI/AUD/01 EXTERNAL REVIEW OF INTERNAL AUDIT**

The Local Government (Accounts and Audit) (Amendment) Regulations (NI) 2006 requires Councils to maintain an adequate and effective system of Internal Audit. This legislation also requires Councils to conduct a review of the effectiveness of their system of Internal Audit at least once a year.

The Council had completed annual internal reviews in accordance with the legislation, with these reviews concluding that the Internal Audit substantially conforms to the Public Sector Internal Audit Standards and that the Audit

Committee can take assurance that the Council's Internal Audit service is acting in accordance with relevant professional requirements.

To provide the Council with independent assurance of the effectiveness of system Internal Audit, the Public Sector Internal Audit Standards (PSIAS), requires an external assessment to be conducted as least once every five years by a qualified, independent assessor or assessment team from outside the organisation.

The Council was due to conduct an external review 30 June 2020, however as previously reported, this was postponed as a consequence of the COVID-19 pandemic.

We now wish to fulfil our requirement to conduct an external assessment of Internal Audit before 30 June 2021 and propose two options for Members consideration.

#### **Option 1**

Procure the services of an appropriately qualified, experienced and independent assessor to conduct a full assessment before 30 June 2021. This option will incur a significant cost (approx. £5,000 to £7,000).

#### **Option 2**

That the Council procures an appropriately qualified, experienced and independent assessor to conduct an independent validation of the 2020/21 internal review completed by the Head of Internal Audit. This option will incur a lower cost than Option 1 (approx. £1,000 to £1,500) and is in accordance with the Public Sector Internal Audit Standards.

Due to the cost implications and the financial pressures faced by the Council, it is recommended that the Committee approves Option 2. This Option will provide independent assurance to the Chief Executive and the Audit Committee of the effectiveness of the Internal Audit Service.

Proposed by Mrs Nesbitt

Seconded by Councillor Bennington and agreed that

- i. Option 2 be approved – to procure an independent validation of the 2020/21 internal review of the effectiveness of Internal Audit; and**
- ii. the Terms of Reference to be approved by Audit Committee Members.**

*ACTION BY: Paul Caulcutt, Head of Internal Audit*

## **4. ITEMS FOR NOTING**

### **4.1 PT/CI/029 PERFORMANCE IMPROVEMENT UPDATE**

Members were advised that correspondence has been received from the Department for Communities in relation to the Performance Improvement Duty, circulated for Members' information.

The letter proposed steps for the short, medium and longer term with associated actions. In the short term, the Department aims to bring forward legislation to regularise the legal position arising from the Minister's decision to set aside the requirement for Councils to produce and publish a Performance Improvement Plan for the current 2020/21 year.

In the medium term, the Department will work with the Local Government Performance Improvement Working Group to discuss the arrangements which should be put in place for performance improvement planning during the 2021/22 year. This includes proposed processes, timelines and whether any further legislation will be required to facilitate any proposed changes to arrangements.

In the longer term, and subject to the Minister's agreement, the Department will carry out a full review of Part 12 of the Local Government Act (NI) 2014.

It was expected that the audit and publication of the Section 95 review for 2019-20 will be completed by 31 March 2021.

Proposed by Councillor Hamill  
Seconded by Councillor Bennington and agreed that

**the report be noted.**

NO ACTION

#### 4.2 FI/AUD/02 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
<b>December 2019</b>			
<b>4.3 NIAO: PERFORMANCE IMPROVEMENT AUDIT AND ASSESSMENT REPORT 2019/20</b>			
(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><b>In Progress</b></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. However, this meeting was postponed and the Terms of Reference is due to be brought to a meeting at a future date.</p>	Unknown at present

Item	Action	Progress update	Anticipated Completion Date
<b>September 2020</b>			
<b>3.1 Recovery Plan</b>			
(i)	A report relating to Council's financial position with revised figures would be brought to the next Full Council meeting.	<b>Complete</b> Report on the Council's financial position was taken to Full Council on 28/09/20.	N/A
(ii)	The Director of Finance and Governance agreed to bring to Senior Management matters raised relating to Community Wealth and other potential methods of encouraging economic development within the Borough.	<b>Complete</b> This was raised with CLT on 26/09/20	N/A
<b>5.2 Annual Governance Statement 2019/20 (Draft)</b>			
(i)	An additional Audit Committee Meeting to be held to approve the Annual Governance Statement prior to the December 2020 Audit Committee meeting.	<b>No Longer Required</b> Due to the need to consider the recent VAT tribunal ruling, resulting in the postponement of the 22/10/20 Audit Committee meeting, it was decided that the Annual Governance Statement would be brought to the December Audit Committee for approval.	N/A
<b>5.3 Financial Statements for the Year Ended 31 March 2020 (Draft)</b>			
(i)	An additional Audit Committee Meeting to be held to approve the Financial Statements prior to the December 2020 Audit Committee meeting.	<b>No Longer Required</b> Due to the need to consider the recent VAT tribunal ruling, resulting in the postponement of the 22/10/20 Audit Committee meeting, it was decided that the Financial Statements would be brought to the December Audit Committee for approval.	N/A

Proposed by Councillor Hamill  
 Seconded by Councillor Webb and agreed that

**the report be noted.**

NO ACTION

#### **4.3 FI/AUD/01 INTERNAL AUDIT UPDATE REPORT**

A report containing a summary of Internal Audit activity since the Audit Committee last met on 22 September 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).

Proposed by Mrs Nesbitt  
Seconded by Councillor Bennington and agreed that

**the report be noted.**

*NO ACTION*

#### **4.4 FI/AUD/02 REVIEW OF THE EFFECTIVENESS OF THE AUDIT COMMITTEE 2019/20 PROGRESS UPDATE**

Members were reminded that in March 2020, the Audit Committee agreed the Action Plan coming out of the review of the effectiveness of the Audit Committee during 2019/20.

A progress update report (circulated) had been prepared outlining the progress of each of the agreed actions, for Members' information.

Proposed by Councillor Hamill  
Seconded by Councillor Webb and agreed that

**the report be noted.**

*NO ACTION*

#### **4.5 FI/AUD/03 CORPORATE RISK REGISTER**

Members were reminded that as a consequence of COVID-19, the Council took the decision to 'suspend' the Corporate Risk Register and create a 'temporary' COVID-19 Corporate Risk Register to record and manage the risks faced by the Council during this period of response and recovery.

The Corporate Risk Register had been reviewed and updated and had been agreed by the Corporate Leadership Team.

In line 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 Hamill  
Seconded by Councillor Bennington and agreed that

**the report be noted.**

*NO ACTION*

#### **4.6 FI/AUD/079 RAISING CONCERNS POLICY**

Members were reminded that in June 2020, the Northern Ireland Audit Office (NIAO) released their Raising Concerns: A Good Practice Guide for Northern Ireland Public Sector. This guide was circulated to both the Corporate Leadership Team and the Audit Committee for information.

Officers have undertaken a review of this guidance and considered its implications for the Council's Whistleblowing Policy that has been in place since April 2015.

As a result, a new Raising Concerns Policy (circulated) had been developed, aligning to the new guidance, and will replace the Whistleblowing Policy. The new Policy had been reviewed and approved by the Corporate Leadership Team and the Policy and Governance Committee.

The main notable difference between the outgoing Whistleblowing Policy and the new Raising Concerns Policy is the change in terminology. 'Whistleblowing' has been replaced with 'raising concerns' in an attempt to soften the language used and to promote a culture of raising concerns as part of normal business. In addition, the new Policy also focuses on providing a formal route for members of the public to raise concerns with the Council.

The overall aim of the Policy is to encourage employees and members of the public to understand the value of an open and honest reporting culture, where their concerns can be raised and dealt with effectively as part of normal business, leading to strengthened governance. The Policy also provides guidance on how to raise a concern and how that concern will be dealt with by the Council.

As was confirmed at the December Policy and Governance Committee, a report on any concerns raised under the Raising Concerns Policy would be provided to the Audit Committee.

Proposed by Councillor Webb  
Seconded by Councillor Hamill and agreed that

**the report be noted.**

*NO ACTION*

## 4.7 ICT/GEN/020 CYBER SECURITY

Maintaining the Council's Cyber Security remains an area of focus for the ICT Department. We have seen an unprecedented increase in the use of IT and Technology over the course of the past 10 months, with many people having to adapt how they work with many working from home.

This new way of working brings with it additional challenges in relation to maintaining a high level of cyber security and protecting Council systems and data.

Since the start of the pandemic in March, the global cyber security threat level had been consistently ranked as **Guarded**. (source: Centre of Internet Security)



**Guarded** indicates a general risk of hacking, virus, or other malicious activity. The potential exists for malicious cyber activities, but no known exploits have been identified.

Council's status had also remained constant with a ranking of **Protected**, indicating that the systems that are in place are effectively managing and monitoring for threats. No Cause for concern.



### Cyber Security Training

ICT Department had rolled out a number of online Cyber Security awareness training sessions, offering some practical training on how to spot potential threats through email or phishing techniques.

Training was offered to 589 member of staff with 342 successfully completing the training. A number of the staff offered the training would have been on furlough, hence the lower completion ratio.

### Future Plans

While the systems and process we currently have in place to manage our cyber security provide a level of reassurance, we must not become complacent.

We will continue to investigate how to improve our cyber security resilience, with a number of activities already in the planning:

- The roll out of further training session will continue, with follow up test scenarios to check for effectiveness and identify any further training need.

- The Council's Password Policy will also be reviewed, with the possibility of moving away from traditional password and toward a much more secure passphrase solution.
- The use of Multi Factor Authentication will also be explored in order to provide an even higher level of security to Council networks and systems.

Proposed by Councillor Bennington

Seconded by Councillor Hamill and agreed that

**i. the report be noted; and**

**ii. training on Cyber Security be rolled out to Members through the Elected Member Development Training Programme**

*ACTION BY: Fiona Gunning, Organisation Development Officer*

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

## **6 ANY OTHER BUSINESS**

The Independent Member requested that a report on the benefits of remote working be brought back to the Audit Committee.

Proposed by Mrs Nesbitt

Seconded by Councillor Bennington and agreed that

**a report on the benefits of remote working be brought back to the Audit Committee.**

*ACTION BY: Sandra Cole, Director of Finance and Governance/Andrea McCooke, Director of Organisation Development*

### **PROPOSAL TO PROCEED 'IN CONFIDENCE'**

Proposed by Councillor Bennington

Seconded by Councillor Hamill 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 NIPSO: INVESTIGATIONS – COUNCIL SERVICES**

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

Proposed by Councillor Webb  
Seconded by Councillor Hamill and agreed that

**the report be noted.**

*NO ACTION*

**5.2 IN CONFIDENCE FI/AUD/04 INVESTIGATIONS UPDATE**

A report containing an update on investigations, since the Audit Committee last met in September 2020, was circulated.

Proposed by Mrs Nesbitt  
Seconded by Councillor Bennington and agreed that

**the report be noted.**

*NO ACTION*

**PROPOSAL TO PROCEED OUT OF 'IN CONFIDENCE'**

Proposed by Mrs Nesbitt  
Seconded by Councillor Bennington 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 Officers for all their hard work through the challenges they had faced this year, thanked Members for their attendance, and wished Members and Officers a very Happy Christmas and Happy New Year. The meeting concluded at 7.07 pm.

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**MAYOR**