



**MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE AUDIT COMMITTEE HELD IN  
ANTRIM CIVIC CENTRE ON TUESDAY 17 SEPTEMBER 2019 AT 6.30 PM**

- In the Chair** : Councillor M Goodman
- Committee** : Councillors – A Bennington, P Hamill, V McAuley,  
J Montgomery and B Webb
- Independent Member** : G Nesbitt
- 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  
Head of Human Resources – J Cowan  
Head of Economic Development – C McCabrey  
Head of Environmental Health – C Todd  
Head of Leisure – M McDowell  
Head of Arts & Culture – U Fay  
Head of Waste Management – M Lavery  
ICT Systems Support – J Higginson  
Member Services Officer – S Boyd
- In attendance** : F Magowan – NI Audit Office  
C Hagan – ASM Accountants

**CHAIRPERSON'S REMARKS**

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

**1. APOLOGIES**

None

**2. DECLARATIONS OF INTEREST**

None

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

#### **3.1 FI/FIN/SOA/05 ANNUAL GOVERNANCE STATEMENT 2018/19**

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

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

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

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

Councillor Webb thanked the Director of Finance and Governance for the highlighting of changes to reports which had been requested at the last Audit Committee Meeting.

Proposed by Councillor Webb

Seconded by Councillor Montgomery and agreed that

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

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

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

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

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

"8 (3)... a local government body must, no later than 30<sup>th</sup> 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 Committee to approve the Statement of Accounts.

The audited Statement of Accounts for Antrim and Newtownabbey Borough Council for the year ended 31 March 2019 were circulated.

In the interests of clarity the Independent Member advised that she was responsible for Public Service Policy for Pensions across the Public Service in Northern Ireland.

Councillor Hamill sought clarity on the net cost of services attributed to Economic Development and requested that this be looked at in terms of creating more jobs and opportunities within the Borough.

Councillor Bennington requested that additional narrative be provided on the Financial Performance against the budget. The Director of Finance and Governance agreed to provide further details to Councillor Bennington.

Proposed by Councillor Montgomery  
Seconded by Councillor Hamill and agreed that

- (a) the Committee approves the Statement of Accounts for the year ended 31 March 2019; and**
- (b) the Statement of Accounts be signed and dated by the Chair of the Audit Committee.**

*ACTION BY: Sandra Cole, Director of Finance and Governance/John Balmer, Head of Finance/Colin McCabrey, Head of Economic Development*

#### **4. ITEMS FOR INFORMATION**

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

Members were advised that the Local Government Auditor has completed the audit of the Statement of Accounts for the year ended 31 March 2019

and has now issued the draft Report to Those Charged with Governance (copy circulated).

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

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

In response to queries from Councillor Webb the Head of Human Resources provided clarification to Members on legacy staff contracts.

Proposed by Councillor Webb  
Seconded by Councillor Hamill and agreed that

**the draft report is noted.**

*NO ACTION*

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

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.

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

The report provided an overview on how we performed against:

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

Proposed by Councillor Hamill  
Seconded by Councillor Bennington and agreed that

**the Corporate Improvement Plan 2019-20 Quarter 1 progress report be noted.**

*NO ACTION*

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

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

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

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

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

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

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

Members were advised that a final draft of the Corporate Improvement Plan Performance Report 2018-19 had been prepared and was circulated for Members' attention.

The report provided an overview on how we performed against:

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

Proposed by Councillor Montgomery  
Seconded by Councillor Bennington and agreed that

**the Corporate Improvement Plan Performance Report 2018-19 (Final Draft) be noted.**

NO ACTION

#### 4.4 FI/AUD/2 UPDATE ON AUDIT COMMITTEE ACTIONS

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

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

| Item  | Action   | Progress update  | Anticipated Completion Date |
|---|--|--|-----------------------------|
| <b>June 2019</b>  |  |  |                             |
| <b>3.1 REVIEW OF THE EFFECTIVENESS OF THE AUDIT COMMITTEE</b> |  |  |                             |
| (i)   | The Independent Member suggested that in order to keep track of action progress, an update report be provided to Members at the December Audit Committee Meeting.  | <b>In Progress</b><br>A progress report on actions will be provided to Members at the December Audit Committee.  | December 2019               |
| (ii)  | Cllr. Webb sought clarity on when the skills and knowledge of the Members of the Audit Committee would be assessed.<br><br>The Head of Internal Audit clarified that documentation had been provided to Members at training sessions and a copy of this would be emailed to him. | <b>Complete</b><br>A copy of the Member Skills and Knowledge assessment form was emailed to Cllr. Webb on 19 June 2019.  | N/A                         |
| <b>4.10 CORPORATE RISK REGISTER</b>                           |  |  |                             |
| (i)   | Cllr. Hamill sought an update on long term provision of burial plots following a request of same at the Policy and Governance Committee.   | <b>Complete</b><br>The Director of Organisation Development provided Cllr. Hamill with an update.<br><br>In addition a burial capacity update will be provided to the Policy and Governance Committee quarterly. | N/A                         |

| Item        | Action  | Progress update  | Anticipated Completion Date |
|-------------|---|--|-----------------------------|
| <b>4.11</b> | <b>REVISED AUDIT COMMITTEE TERMS OF REFERENCE</b>   |  |                             |
| (i)         | Cllr. Webb requested that in future, changes to Corporate documents should be highlight.  | <b>Complete</b><br>A commitment to highlight changes in future reports has been given.<br>Changes were highlighted in the Revised Audit Committee Terms of Reference report to the June Council meeting. | N/A                         |
| <b>4.14</b> | <b>MANAGING ATTENDANCE</b>  |  |                             |
| (i)         | Cllr. Webb requested that the long term sick absence as a result of disciplinary be raised at the next Policy and Governance Committee.   | <b>Complete</b><br>Long term sick absence as a result of disciplinary was addressed at the 3 September 2019 Policy and Governance meeting.   | N/A                         |
| <b>6</b>    | <b>AOB</b>  |  |                             |
| (i)         | The Director of Finance and Governance informed Members that the Local Government Auditors Report for 2019 had been published and was based on the Audit of the Northern Ireland Councils 2017/18 Financial Statements.<br><br>The report gives comparatives between Councils and that the report would be sent to Members. | <b>Complete</b><br>The Local Government Auditors Report for 2019 was provided to Members on 19 June 2019.  | N/A                         |

The Director of Finance and Governance to respond to Councillor Montgomery in relation to his request for PCSP information.

Proposed by Councillor Montgomery  
Seconded by Councillor Bennington and agreed that

**the Committee notes the Previous Actions update.**

*ACTION BY: Sandra Cole, Director of Finance and Governance*

*Councillor Montgomery left the Chamber during the next item.*

#### **4.5 FI/AUD/1 INTERNAL AUDIT UPDATE REPORT**

A report containing a summary of Internal Audit activity since the Audit Committee last met on 18 June 2019 was circulated. The report included the

objectives and conclusions reached for each completed engagement and management comments as applicable.

The Independent Member commended Internal Audit and Management on their sensible and pragmatic approach to measures which had been put in place.

The Head of Arts and Culture provided clarification for Councillor Bennington regarding the findings identified in the report.

Proposed by Councillor Hamill  
Seconded by Councillor Bennington and agreed that

**the report be noted.**

*NO ACTION*

*Councillor Montgomery returned to the meeting during the next item.*

#### **4.6 FI/AUD/68 NATIONAL FRAUD INITIATIVE 2018**

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

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

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

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

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

Proposed by Councillor Bennington  
Seconded by Councillor Webb and agreed that

**the report be noted.**

*NO ACTION*



#### **4.7 FI/AUD/3 CORPORATE RISK REGISTER**

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

The review and update of the Corporate Risk Register had been completed and a report setting out the 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*

#### **4.8 HR/GEN/019 MANAGING ATTENDANCE**

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

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

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

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

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

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

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

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

Following requests from Members for periodic comparative figures to be provided in future reports, and, from the Independent Member in relation to the number of attendees at the First Mental Health Program, the Head of Human Resources confirmed this information would be provided at the next Audit Committee Meeting.

Councillor Webb sought clarity on whether Members could participate in the Mental Health Program. This will be raised with the Elected Members Development Working Group.

Proposed by Councillor Bennington  
Seconded by Councillor Hamill and agreed that

**the report be noted.**

*ACTION BY: Joan Cowan, Head of Human Resources*

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

Proposed by Councillor Webb  
Seconded by Councillor Bennington and agreed that

**any remaining Committee business be taken in Confidence.**

The Chairperson advised that audio recording would now cease.

## **5. ITEMS IN CONFIDENCE**

### **5.1 IN CONFIDENCE FI/AUD/04 NIPSO: INVESTIGATIONS – COUNCIL SERVICES**

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

Proposed by Councillor Hamill  
Seconded by Councillor Bennington and agreed that

**the report be noted.**

*NO ACTION*

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

A report containing a progress update on investigations, since the Audit Committee last met on 18 June 2019, was circulated. The report included details of new, completed and ongoing investigations.

The Head of Internal Audit and the Representatives from External Audit provided clarification to Members' questions in relation to the Protocol for investigations.

Proposed by Councillor Webb  
Seconded by Councillor Montgomery and agreed that

**the report be noted.**

*NO ACTION*

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

Proposed by Councillor Montgomery  
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 everyone for their attendance and the meeting concluded at 7.49 pm.

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**MAYOR**