



17 June 2021

Committee Chair: Councillor A McAuley  
Committee Vice-Chair: Councillor A Bennington  
Committee Members: Councillors – M Goodman, P Hamill, R Kinnear and J Montgomery  
Independent Member: Mrs G Nesbitt

Dear Member

### **MEETING OF THE AUDIT COMMITTEE**

A remote meeting of the Audit Committee will be held in the **Council Chamber, Mossley Mill on Tuesday 22 June 2021 at 6.30pm.**

All Members are asked to attend the meeting via "Zoom".

To ensure social distancing the Chairperson of the Committee may attend the Council Chamber.

You are requested to attend.

Yours sincerely

Jacqui Dixon, BSc MBA  
**Chief Executive, Antrim & Newtownabbey Borough Council**

**PLEASE NOTE: no refreshments will be available**

**For any queries please contact Member Services:**

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## **A G E N D A**

### **1. APOLOGIES**

### **2. DECLARATIONS OF INTEREST**

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

3.1 Audit Committee Annual Report 2020/21

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

4.1 Governance Arrangements – Corporate Recovery Plan 2021-23

4.2 Update on Audit Committee Actions

4.3 Internal Audit Update Report

4.4 Internal Audit Annual Report 2020/21

4.5 Review of the Effectiveness of the System of Internal Control 2020/21

4.6 Annual Governance Statement 2020/21

4.7 Financial Statements for the year Ended 31 March 2021

4.8 Corporate Risk Register

4.9 Remote Working

4.10 Anti-Fraud & Corruption Policy

4.11 Anti-Bribery Policy

### **5. ITEMS IN CONFIDENCE**

5.1 NIPSO: Investigations – Council Services

5.2 Concerns Raised and Investigations Update

### **6. ANY OTHER RELEVANT BUSINESS**

### **3 ITEMS FOR DECISION**

#### **3.1 FI/AUD/02 AUDIT COMMITTEE ANNUAL REPORT 2020/21**

Members are 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”.

An Audit Committee Annual Report (**enclosed**) has been prepared outlining the Audit Committee's activities during 2020/21 and how the Committee has discharged its roles and responsibilities as set out in the Audit Committee Terms of Reference.

Members are asked to review and agree the report prior to it being provided to Full Council.

Members are also reminded that on 22 March 2021 they approved the Review of the Effectiveness of the Audit Committee (**enclosed**) and that this report be provided to Full Council.

**RECOMMENDATION: that the Committee approves the Audit Committee Annual Report and that the report be provided to Full Council.**

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Deputy Chief Executive of Finance and Governance (Interim)

## **4 ITEMS FOR INFORMATION**

### **4.1 PT/CI/036 GOVERNANCE ARRANGEMENTS – CORPORATE RECOVERY PLAN 2021-23**

The Council is committed to ensuring that the Borough not only recovers from the pandemic but that it continues to develop and grow to be a place where people chose to invest, live in, work and visit.

Council approved a Recovery Plan (2021-23), which is subject to consultation. This sets out an ambitious plan for recovery and renewal. The vision set out in our Corporate Plan remains our guiding principle: to be: “A progressive, smart and prosperous Borough. Inspired by our people. Driven by ambition.” To realise this vision, the Council recognises it must work in collaboration with others, particularly our Community Planning partners under the framework of our Love Living Here Community Plan. The Pandemic has impacted on our pursuit of the long-term objectives set-out in those two key strategies, but they remain our focus.

This Recovery Plan will sit alongside these Plans to guide us through this period of uncertainty to assist us to work towards the goals and ambitions we have already committed to.

Members are 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 is awaiting formal guidance from the Department for Communities in relation to the arrangements for 2021-22, however it is expected that the improvement duty will reflect a “broader definition” stretching beyond improvement to include recovery objectives. Our Recovery Plan specifies actions to recover Council services post Covid, and also includes statutory indicators.

To ensure that delivery of the Recovery Plan, a robust governance framework has been developed, which is **enclosed** for Members' information.

**RECOMMENDATION: that the report be noted.**

Prepared by: James Porter, Performance Improvement Officer

Agreed by: Helen Hall, Head of Performance and Transformation

Approved by: Sandra Cole, Deputy Chief Executive of Finance and Governance (Interim)

## 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.	<b>In Progress</b> 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.	Unknown at present
<b>December 2020</b>			
<b>6 Any Other Business – Remote Working</b>			
(i)	A report on remote working be brought back to the Audit Committee.	<b>Complete</b> A report on Remote Working is included in this Committee's agenda.	N/A
<b>March 2021</b>			
<b>3.2 Review of the Effectiveness of the Audit Committee</b>			
(i)	The results of the review of the effectiveness of the Audit Committee be approved and reported to the June 2021 Audit Committee and Council meetings.	<b>Complete</b> The results of the review of the effectiveness of the Audit Committee and the Audit Committee Annual Report 2020/21 are included in this Committee's agenda and the Council meeting agenda for 28 June 2021.	N/A
<b>4.2 NIAO: Report to Those Charged with Governance 2019/20</b>			
(i)	Following a question from a Member, the External Auditor undertook to seek clarity on disclosure of information referenced on page 11 of the report, and to further update Members.	<b>Complete</b> The External Auditor provided an update to Members on 15 April 2021.	N/A

**RECOMMENDATION: that the report be noted.**

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Deputy Chief Executive of Finance and Governance (Interim)

### 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 March 2021 is enclosed. The report includes the objectives and conclusions reached for each completed engagement and management comments as applicable.

The report also provides 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).

**RECOMMENDATION: that the report be noted.**

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Deputy Chief Executive of Finance and Governance (Interim)

#### **4.4 FI/AUD/01 INTERNAL AUDIT ANNUAL REPORT 2020/21**

In accordance with the Public Sector Internal Audit Standards (PSIAS), the Head of Internal Audit 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 **enclosed** Internal Audit Annual Report for the year ended 31 March 2021.

**RECOMMENDATION: that the report be noted.**

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Deputy Chief Executive of Finance and Governance (Interim)

**4.5 FI/AUD/01 REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL CONTROL 2020/21**

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 is **enclosed** for Members consideration.

**RECOMMENDATION: that the report be noted.**

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Deputy Chief Executive of Finance and Governance (Interim)

#### 4.6 FI/FIN/SOA/07 ANNUAL GOVERNANCE STATEMENT 2020/21

The Council is required to publish an Annual 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 draft Annual Governance Statement 2020/21 has been completed for Antrim and Newtownabbey Borough Council and a copy is enclosed for Members review.

On completion of the audit of the Financial Statements the final Annual Governance Statement will be brought back to the Audit Committee for approval in September 2021

**RECOMMENDATION: that the draft Annual Governance Statement be noted.**

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Deputy Chief Executive of Finance and Governance (Interim)

#### **4.7 FI/FIN/SOA/07 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

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

Officers will provide Members with details of the Council's financial performance for the year ended 31 March 2021 as set out in the Comprehensive Income and Expenditure Statement and financial position set out in the Balance Sheet as at 31 March 2021 (to follow).

Independent audit of the draft Financial Statements will proceed after submission to the Department for Communities by 30 June 2021 and the audited final Financial Statements will be provided to the Audit Committee for approval in September 2021.

**RECOMMENDATION: that the report be noted.**

Prepared by: Richard Murray, Head of Finance (Interim)

Approved by: Sandra Cole, Deputy Chief Executive of Finance and Governance (Interim)

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

Members are reminded that a report providing details of the Council's Corporate Risk Register, is presented to the Audit 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, is **enclosed** for Members review.

**RECOMMENDATION: that the report be noted.**

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Deputy Chief Executive of Finance and Governance (Interim)

#### **4.9 FI/FIN/047 REMOTE WORKING**

Following an action agreed by the Audit Committee in December 2020, a report on remote working was brought to the Policy and Governance Committee in May 2021.

The Policy and Governance Committee agreed the following Policy position in respect of remote working:

- 1) Staff incrementally return to the office as and when it is safe to do so, in line with the NI Executive's pathway out of restrictions; and
- 2) Business meetings continue to be held virtually if possible, to address objectives within the Climate Change Action Plan.

We will keep the position of remote working under review, depending on the potential requirements of external bodies and report back to the Policy and Governance Committee, where required.

**RECOMMENDATION: that the report be noted.**

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Deputy Chief Executive of Finance and Governance (Interim)

#### **4.10 FI/AUD/04 ANTI-FRAUD AND CORRUPTION POLICY**

Members are reminded that the Council has an Anti-Fraud and Corruption Policy which was implemented in April 2015 and updated in March 2019.

In line with the Council's Policy Framework, Officers have undertaken a review of this Policy (**enclosed**) in order to ensure the contents are consistent with current guidance and it includes the correct referencing to other recently reviewed Policies.

The revised Policy has been reviewed and approved by the Corporate Leadership Team and the Policy and Governance Committee.

The Policy sets out the Council's commitment to the prevention of fraud and corruption and the promotion of an anti-fraud culture. The Council operates a zero tolerance attitude to fraud and corruption, whether from internal or external sources and requires staff and individuals / organisations to act with honesty and integrity, to safeguard public resources and to report all suspicions of fraud and corruption.

The Anti-Fraud and Corruption Policy defines the three main offences of fraud, as set out in the Fraud Act 2006. These are:

- Fraud by false representation
- Fraud by failing to disclose information
- Fraud by abuse of position

The Policy also provides details of the anti-fraud and corruption roles and responsibilities of all levels throughout the Council. It provides detailed guidance on fraud prevention, detection and investigation as well as a guideline for reporting suspicions of fraud or corruption.

**RECOMMENDATION: that the report be noted.**

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Deputy Chief Executive of Finance and Governance (Interim)

#### 4.11 FI/AUD/04 ANTI-BRIBERY POLICY

Members are reminded that the Council has an Anti-Bribery Policy which was implemented in April 2015 and updated in March 2019.

In line with the Council's Policy Framework, Officers have undertaken a review of this Policy (**enclosed**) in order to ensure the contents are consistent with current guidance and it includes the correct referencing to other recently reviewed Policies.

The revised Policy has been reviewed and approved by the Corporate Leadership Team and the Policy and Governance Committee.

The Policy sets out the Council's commitment to the prevention, deterrence and detection of bribery. It also provides a framework to enable employees to understand and implement arrangements enabling compliance with the Policy and to identify and effectively report potential breaches.

The Policy also defines Bribery in accordance with the Bribery Act 2010 as a criminal offence. As such, as a Council, we do not, and will not, offer or pay bribes or other improper inducements for any purpose, nor do we or will we, accept bribes or improper inducements such as gifts or hospitality.

The Council will assess the risk of bribery through Anti-Bribery Risk Assessments that will be completed bi-annually as part of the Management Assurance process. Where the risk of bribery is considered to be high, appropriate action will be taken by management to reduce the level of risk.

**RECOMMENDATION: that the report be noted.**

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Deputy Chief Executive of Finance and Governance (Interim)