



15 March 2023

Committee Chair: Councillor A Bennington  
Committee Vice-Chair: Councillor R Wilson

Committee Members: Councillors – M Goodman, B Mallon, J Montgomery,  
B Webb

Dear Member

**MEETING OF THE AUDIT AND RISK COMMITTEE**

A meeting of the Audit and Risk Committee will be held in the **Round Tower Council Chamber, Antrim Civic Centre on Tuesday 21 March 2023 at 6.30 pm.**

You are requested to attend.

Yours sincerely

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

**PLEASE NOTE: a fork buffet will be available in the Cafe from 5.20 pm**

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

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**REPORT ON BUSINESS TO BE CONSIDERED AT THE  
AUDIT AND RISK COMMITTEE MEETING  
ON TUESDAY 21 MARCH 2023**

**A G E N D A**

**1. APOLOGIES**

**2. DECLARATIONS OF INTEREST**

**3. INTRODUCTION OF NEW STAFF**

**4. ITEMS FOR DECISION**

4.1 Review of the Effectiveness of the Audit and Risk Committee 2022-23

4.2 Internal Audit Strategy 2023-2027 and Audit Plan 2023-24

**5. ITEMS FOR INFORMATION**

5.1 NIAO: Audit Strategy 2022-23

5.2 Recovery Plan 2022-23 – Quarter 3 Performance Progress Report

5.3 Update on Audit and Risk Committee Actions

5.4 Internal Audit Update Report

5.5 National Fraud Initiative 2022

5.6 Post Project Evaluations

5.7 Corporate Risk Register

5.8 Risk Management Strategy

**6. ITEMS IN CONFIDENCE**

6.1 NIPSO: Investigations – Council Services

6.2 Raising Concerns and Investigations Update

**7. ANY OTHER RELEVANT BUSINESS**

## **4 ITEMS FOR DECISION**

### **4.1 FI/AUD/02 REVIEW OF THE EFFECTIVENESS OF THE AUDIT AND RISK COMMITTEE 2022-23**

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”.

The guidance also provides a 'Self-Assessment of Good Practice' checklist and an 'Evaluating the Effectiveness of the Audit Committee' self-assessment checklist which enables the Committee to undertake and report on the assessment of their performance throughout the year.

In February 2023, Members of the Audit and Risk Committee have undertaken a review of the Committee's performance throughout the year and have agreed the 'Self-Assessment of Good Practice' checklist and the 'Evaluating the Effectiveness of the Audit Committee' checklist.

The results of this review are **enclosed** for Members' approval.

These results, along with an Annual Report outlining the Audit and Risk Committee's activities during the year, will be reported to the June 2023 Council meeting as part of the year end reporting process.

**RECOMMENDATION: that the Committee approve the results of the review of the effectiveness of the Audit and Risk Committee and that these results be reported to the June 2023 Council meeting.**

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Director of Finance and Governance

#### 4.2 FI/AUD/01 INTERNAL AUDIT STRATEGY 2023-2027 AND AUDIT PLAN 2023-24

The Head of Internal Audit is required to provide an annual opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. The basis of this opinion will be the work completed by the Internal Audit service over the year.

Due to the finite resources available, it is not possible to provide audit coverage of all aspects of the Council's activities within a given year. The Internal Audit Strategy (**enclosed**) sets out the audit coverage over a four year period, based on the assessment of risk, with 2023/24 being the final year of our four year strategy.

The Strategy also provides the Audit and Risk Committee and management with an understanding of Internal Audit's approach to developing the Strategy as well how the Service is delivered and assessed through the Quality Assurance and Improvement Programme.

In preparation of the 2023/24 Internal Audit Plan, the Council's risk registers (Corporate and Service) have been assessed to take into account the change in the Council's risk profile. This ensured that the 2023/24 audit coverage is risk-based and provides a sound basis for the provision of a robust annual internal audit opinion at the end of the year.

The Internal Audit Plan for 2023/24 (**enclosed**) has been consulted on and approved by the Corporate Leadership Team.

**RECOMMENDATION: that the Committee consider the Internal Audit Strategy and Audit Plan, make amendments as appropriate, and approve the Internal Audit Strategy 2023-2027 and Audit Plan for 2023/24.**

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Director of Finance and Governance

## **5 ITEMS FOR INFORMATION**

### **5.1 FI/FIN/SOA/09 NIAO: AUDIT STRATEGY 2022/23**

The External Audit Strategy for the audit of the 2022/23 Statement of Accounts (**enclosed**) provides a clear understanding of how the NIAO plan to carry out the audit of the 2022/23 financial statements and the key risks identified in their planning work.

A representative of the NIAO will be in attendance to answer Members' questions.

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

Prepared by: Richard Murray, Head of Finance

Approved by: Sandra Cole, Director of Finance and Governance

## 5.2 PT/CI/038 RECOVERY PLAN 2022-23 – QUARTER 3 PERFORMANCE PROGRESS REPORT

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'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 third quarter progress report is **enclosed** for Members' attention.

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

Prepared by: Allen Templeton, Performance and Transformation Officer

Approved by: Helen Hall, Director of Corporate Strategy

### 5.3 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 has been provided.

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

<b>Item</b>	<b>Action</b>	<b>Progress update</b>	<b>Anticipated Completion Date</b>
<b>December 2022</b>			
<b>3.1 REVIEW OF THE EFFECTIVENESS OF THE AUDIT AND RISK COMMITTEE 2022/23</b>			
(i)	A facilitated self-assessment session on 16 February 2023 be approved.	<b>Complete</b> The facilitated self-assessment workshop was scheduled for 16 February 2023. Through discussion with Members and prior review of the checklists, it was decided that the workshop was not required.	N/A
<b>4.6 RECOVERY PLAN- 2022/23 – PERFORMANCE PROGRESS REPORT QUARTER 2</b>			
(i)	A review would be undertaken in relation to status definition within the Progress Report tables.	<b>Complete</b> Status definitions have been reviewed and updated. The new definitions have been incorporated within the Quarter 3 Progress Update report and will be used going forward.	N/A
(i)	A review of how Council assess customer satisfaction be undertaken.	<b>In Progress</b> A review of how the Council obtains and assesses customer satisfaction is underway.	30 June 2023
<b>4.10 POST PROJECT EVALUATIONS</b>			
(i)	Further details on the contents of Post Project Evaluations be provided.	<b>Complete</b> A report on the Post Project Evaluation process has been included within the Agenda of the March 2023 Audit and Risk Committee.	N/A

(ii)	A schedule of Post Project Evaluations be provided to a future Committee.	<b>In Progress</b> A schedule of projects is being developed and will set out their completion date and post project evaluation due date.	30 June 2023
<b>4.11 CORPORATE RISK REGISTER</b>			
(i)	Officers would consider Members' comments when reviewing corporate risks.	<b>Complete</b> Clarification and guidance was provided to all risk owners on the need to link risks to the Corporate Recovery and Improvement Plan. In addition, risk owners have been advised that where objectives / targets are 'at risk' of being achieved, the risk's scoring should be reflective of this. Further transparency has also been incorporated within the Corporate Risk Register report for the Audit and Risk Committee and the Corporate Leadership Team.	N/A

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

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Director of Finance and Governance



#### **5.4 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 13 December 2022 is enclosed. The report includes the objectives and conclusions reached for each completed engagement, including 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, Director of Finance and Governance

## 5.5 FI/AUD/112 NATIONAL FRAUD INITIATIVE 2022

The Comptroller and Auditor General for Northern Ireland (C&AG) and the Head of the Northern Ireland Audit Office (NIAO), has statutory powers to conduct data matching exercises for the purpose of assisting in the prevention and detection of fraud.

Data matching involves comparing sets of data, such as payroll or benefit records of a body, against other records held by the same or another body to see how far they match. This allows potentially fraudulent claims and payments to be identified.

The National Fraud Initiative (NFI) is undertaken every 2 years and is administered / facilitated by the Cabinet Office with the matches for NFI 2022 being recently provided to Antrim and Newtownabbey Borough Council.

Organisations involved within NFI are not expected to investigate every match. Instead they are required to complete an initial review of all the matches and decide those matches which warrant further investigation based on local priorities and risk.

Internal Audit has assessed the population of matches and identified the sample for which detailed testing will be undertaken. Further detail regarding the approach being adopted is **enclosed**.

The results from this exercise will be reported to a future Audit Committee.

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

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Director of Finance and Governance

## 5.6 FI/AUD/109 POST PROJECT EVALUATIONS

Members are reminded that in December 2022, the Audit and Risk Committee requested that further details on the Post Project Evaluation process be brought back to the Committee.

The process has been developed to encompass the whole project lifecycle, from inception to post project evaluation – The Project Evaluation Process.

The process will be coordinated and administered by the Performance and Transformation Team, with project owners responsible for setting the pre-project targets within the business case and completing the post project evaluation against these targets at the end of the realisation period(s).

The **enclosed** project evaluation process and **appendices** have been developed, setting out the processes in place to ensure projects are appropriately managed from start to finish, including the post project evaluation stage.

As previously reported to the Committee, a training and capacity building programme was being developed for officers involved in projects.

This training has now been completed which focused on the preparation of business cases (in accordance with the Better Business Cases NI – 'Five Case Model' guidance), the articulation of project objectives and targets, and the assessment of these objectives / targets through the completion of post project evaluations.

Post project reporting will be completed, with post project evaluation information being reported to the relevant approving Committee as required as well as to the Corporate Leadership Team and the Audit and Risk Committee annually, to provide the necessary assurances that the post project evaluations have been completed.

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

Prepared by: John Balmer, Deputy Director of Finance

Approved by: Sandra Cole, Director of Finance and Governance

## **5.7 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 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, is **enclosed** for Members' review.

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

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Director of Finance and Governance

## 5.8 FI/AUD/3 RISK MANAGEMENT STRATEGY

Members are reminded that in March 2021, the Policy and Governance Committee approved a new Risk Management Strategy which was aligned to the five principles of risk management as set out in the HM Treasury's Guidance on the Management of Risk – Principles and Concepts.

In accordance with the Council's Policy Framework and Schedule, the Strategy has been reviewed and updated.

The amendments made include providing additional clarity on how Risk Management is linked to the Council's Corporate Improvement Plan, and reformatting the Strategy to comply with the requirements of the Policy Framework.

The Risk Management Strategy has been reviewed and approved by the Corporate Leadership Team in February 2023 and the Policy and Governance Committee in March 2023.

A copy of the approved Strategy is **enclosed**, with amendments highlighted in red for Members' information.

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

Prepared by: Paul Caulcutt, Head of Internal Audit

Approved by: Sandra Cole, Director of Finance and Governance