



14 September 2022

Committee Chair: Councillor A Bennington  
Committee Vice-Chair: Councillor R Wilson  
Committee Members: Councillors – M Goodman, B Mallon, J Montgomery, B Webb.  
Independent Member: Mrs G Nesbitt

Dear Member

**MEETING OF THE AUDIT AND RISK COMMITTEE**

A meeting of the Audit and Risk Committee Meeting will be held in the **Council Chamber, Antrim Civic Centre on Tuesday 20 September 2022 at 6.30 pm.**

You are requested to attend.

Yours sincerely

A handwritten signature in black ink that reads "Jacqui Dixon".

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

**Refreshments will be available in the Cafe from 5.20 pm**

**For any queries please contact Member Services:**  
Tel: 028 9034 0048/028 9448 1301  
[memberservices@antrimandnewtownabbey.gov.uk](mailto:memberservices@antrimandnewtownabbey.gov.uk)

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

### **1. APOLOGIES**

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

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

3.1 Annual Governance Statement 2021/22

3.2 Financial Statements for the Year Ended 31 March 2022

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

4.1 NIAO: Report to Those Charged with Governance 2021/22 (Draft)

4.2 2021-22 Annual Self-Assessment Report on Performance

4.3 Recovery Plan - Performance Progress Report Quarter 1

4.4 Update on Audit and Risk Committee Actions

4.5 Internal Audit Update Report

4.6 Corporate Risk Register

4.7 National Fraud Initiative Report: Northern Ireland

4.8 National Fraud Initiative – 2022

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

5.1 Cyber Security Update

5.2 Managing Attendance – Update Report

5.3 NIPSO: Investigations – Council Services

5.4 Concerns Raised and Investigations Update

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

### **3 ITEMS FOR DECISION**

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

Members are 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 have been suggested by External Audit to provide additional clarity and management have agreed to make these.

A copy of the updated Annual Governance Statement 2021/22 is enclosed, 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."

#### **RECOMMENDATION: 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.**

Prepared by: Liz Johnston, Deputy Director of Performance and Governance (Interim)

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

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

Members are reminded that details of the (unaudited) Statement of Accounts for the year ended 31 March 2022, were 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 requires 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 are 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 are to follow.

#### **RECOMMENDATION: 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.**

Prepared by: Richard Murray, Head of Finance

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

## **4 ITEMS FOR INFORMATION**

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

Members are advised that the Local Government Auditor has completed the audit of the Statement of Accounts for the year ended 31 March 2022 and has now issued the draft Report to Those Charged with Governance (copy of which will follow).

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

Representatives 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, Deputy Chief Executive of Finance and Governance

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

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

Members are advised that a final draft of the Annual Self-Assessment Report on Performance 2021-22 has been prepared and **is to follow** for Members' attention.

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

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

Prepared by: Lesley Millar, Performance and Transformation Manager

Agreed by: Liz Johnston, Deputy Director of Performance and Governance (Interim)

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

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

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

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

Prepared by: Allen Templeton, Performance and Transformation Officer

Agreed by: Liz Johnston, Deputy Director of Performance and Governance (Interim)

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

#### 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 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.</p> <p>This meeting was postponed and the Terms of Reference is due to be brought to a meeting at a future date.</p> <p>There has been no further direction or development on this matter.</p> <p>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
<b>December 2021</b>			
<b>4.6 Internal Audit Update Report</b>			
(i)	A report be brought back to the Committee on contract management actions for improvement.	<p><b>In Progress</b></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><b>In Progress</b></p> <p>A verbal update will be provided to Members.</p>	



Item	Action	Progress update	Anticipated Completion Date
<b>June 2022</b>			
<b>3.1</b>	<b>Audit and Risk Committee Annual Report 2021/22</b>		
(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><b>Complete</b></p> <p>The addition was made to Section 3 of the report and circulated to Members on 22 June.</p> <p>The amended Annual Report was provide to Full Council in June 2022.</p>	N/A
<b>4.1</b>	<b>Recovery Plan – Performance Progress Report Quarter 4</b>		
(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.	<p><b>Complete</b></p> <p>A report on managing attendance is included within this Committee's agenda.</p>	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

#### **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 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

#### **4.6 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, Deputy Chief Executive of Finance and Governance

#### **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 (**enclosed**) setting out the outcomes from the 2020 National Fraud Initiative (NFI) exercise.

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

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

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

**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

## **4.8 FI/AUD/112 NATIONAL FRAUD INITIATIVE 2022**

### **Background**

The National Fraud Initiative (NFI) is a data matching exercise run by the Audit Commission and is 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), has statutory powers to conduct matching exercises for the purpose of assisting in the prevention and detection of fraud. These powers are contained in the Serious Crime Act 2007, which inserts 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 is found, it indicates that there is an inconsistency that may require further investigation to establish what has caused the match and any further action that may be deemed necessary. Examples of possible matches are as follows:

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

### **Results notification and possible action**

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

The Council is responsible for investigating these matches. All matches will be considered by the Head Internal Audit, who will 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 is available enabling data for NFI to be submitted directly from local computers. This facility is contained within the existing secure NFI web application and consequently provides the same controlled access environment. It features an Advanced Encryption Standard (AES) 256 Secure Sockets Layer encryption and enables data files to be password protected. No other method of data transfer to the NFI is acceptable.

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

## Participating bodies

Organisations participating in this exercise are 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 are those bodies whose accounts are 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 are audited by a Local Government Auditor the Council must supply the required information.

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

Further information is 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](mailto:paul.caulcutt@antrimandnewtownabbey.gov.uk).

**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