



**MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE AUDIT AND RISK COMMITTEE
HELD IN ANTRIM CIVIC CENTRE ON TUESDAY 13 DECEMBER AT 6.30 PM**

- In the Chair** : Councillor A Bennington
- Committee Members Present (In Person)** : Councillor B Webb
- Independent Member (Remote)** : G Nesbitt
- Members Present (Remote)** : Councillors – M Goodman, B Mallon, J Montgomery and R Wilson
- Officers Present** : Director of Finance and Governance – S Cole
Director of Organisation Development – D Rogers
Deputy Director of Finance – J Balmer
Deputy Director of Performance and Governance (Interim) – L Johnston
Head of Internal Audit – P Caulcutt
ICT Helpdesk Officer – A Cole
Member Services Officer – J Moreland
- In attendance: (Remote)** : A Allen – NIAO

CHAIRPERSON'S REMARKS

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

Although the COVID restrictions had been relaxed, to manage numbers and minimise risk, members of the public and press continue to access those parts of the Council meetings which they are entitled to attend through the livestream on the Council's website.

The Chairperson further extended a welcome to Andrew Allen from the NI Audit Office.

1. APOLOGIES

None

2. DECLARATIONS OF INTEREST

None

3. ITEMS FOR DECISION

3.1 FI/AUD/02 REVIEW OF THE EFFECTIVENESS OF THE AUDIT AND RISK COMMITTEE 2022/23

Members were reminded that CIPFA's Audit Committee – Practical Guidance for Local Authorities and Police, placed a requirement on Audit Committees to “report regularly on their work, and at least annually report an assessment on their performance”.

Members were also reminded that in previous years, Members of the Audit and Risk Committee participated in a facilitated self-assessment review of the performance of the 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 and Risk Committee Annual Report were then reported to the Committee and Council meetings in June.

The Review of the Effectiveness of the Audit and Risk Committee for 2022/23 was now due. To assist the Members in completing this review, we were proposing to facilitate a self-assessment session on Thursday 16 February 2023.

Appropriate arrangements would be made with Members in due course.

Proposed by Councillor Webb

Seconded by Councillor Montgomery and agreed that

a facilitated self-assessment session on 16 February 2023 be approved.

ACTION BY: Paul Caulcutt, Head of Internal Audit

4 ITEMS FOR INFORMATION

4.1 FI/FIN/SOA/08 NIAO: ANNUAL AUDIT LETTER 2021/22

Members were reminded that in September 2022, the Audit and Risk Committee approved the Statement of Accounts for the year ended 31 March 2022.

The Local Government Auditor had now issued the Annual Audit Letter 2021/22 (circulated) following completion of the audit of the Statement of Accounts by the Northern Ireland Audit Office.

Mr Allen of the NIAO responded to Members' questions.

Proposed by Councillor Montgomery
Seconded by Mrs Nesbitt and agreed that

the report be noted.

NO ACTION

4.2 FI/FIN/SAO/08 NIAO: REPORT TO THOSE CHARGED WITH GOVERNANCE 2021/22

Members were reminded that in September 2022, the Audit and Risk Committee approved the Statement of Accounts for the year ended 31 March 2022. Members were also provided with a copy of the draft Report to Those Charged with Governance.

The Local Government Auditor had now issued the final Report to Those Charged with Governance (circulated) following completion of the audit of the Statement of Accounts by the Northern Ireland Audit Office.

The Director of Finance and Governance and the Deputy Director of Finance provided clarification to Members on their queries.

Proposed by Councillor Webb
Seconded by Councillor Montgomery and agreed that

the report be noted.

NO ACTION

4.3 FI/FIN/SAO/08 REPORT TO THOSE CHARGED WITH GOVERNANCE 2021/22 ACTION PLAN

Members were reminded that in September 2022, the Audit and Risk Committee requested an action plan be provided to the Committee outlining the matters that had been raised in the 2021/22 Report to Those with Governance.

The circulated action plan set out the NIAO's findings and recommendations as well as the Council's Management Responses and actions to those findings.

Proposed by Councillor Webb
Seconded by Councillor Montgomery and agreed that

the report be noted.

NO ACTION

4.4 FI/FIN/SOA/09 NIAO: CHANGES TO AUDIT APPROACH FOR THE 2022-23 AUDIT CYCLE

The Council had received the circulated letter from the Northern Ireland Audit Office which advised that the way in which they would plan and conduct their external audit of the Council's Financial Statements was changing for their 2022-23 audit cycle.

This was due to significant changes to the International Standards of Auditing (UK) (ISAs) with the introduction of ISA 315 (Revised July 2020), *Identifying and Assessing the Risks of Material Misstatement*.

The revised standard impacted on how external audit would undertake audit risk assessments, which would require the undertaking of more detailed and extensive risk assessment procedures to identify risks of material misstatement.

This would likely result in a greater number of enquiries for Council during the planning stage of the audit, as well as the requirement for more time and a richer skill mix to perform the more extensive risk assessment procedures.

It was anticipated that this would result in an increase to the audit fees, which was estimated to be in the region of between 10% and 20%, and the requirement of additional officer time to facilitate the change in procedures.

Also circulate was a briefing for Members' information which outlined the key changes and the potential impact on the Council in terms of information requests from the NIAO engagement team.

Mr Allen of the NIAO responded to Members' questions.

Proposed by Councillor Webb

Seconded by Councillor Wilson and agreed that

the report be noted.

NO ACTION

4.5 PT/CI/048 PERFORMANCE IMPROVEMENT AUDIT AND ASSESSMENT REPORT 2022/23

Members were reminded that Part 12 of the Local Government Act (Northern Ireland) 2014 established that all Councils were under a general duty to make arrangements to secure continuous improvement in the exercise of their functions.

The Local Government Auditor had carried out an assessment of the Council's compliance with its performance improvement duties (2022-23) under Section 95 of Local Government (NI) Act 2014.

The Local Government Auditor had certified the Council's performance arrangements with an unqualified audit with no statutory recommendations and one proposal for improvement which represented good practice. A copy of the report, Certificate and Letter were circulated for Members' information.

Although not a formal recommendation, the auditor made one proposal for improvement. An Action Plan (circulated) had been developed, setting out how the Council intended to address the proposal identified in the Report.

In her Audit Assessment, the LGA had concluded that she was unable to assess whether the Council was likely to comply with Part 12 of the Local Government Act (Northern Ireland) 2014 during 2022-23. The LGA had provided the same Audit Assessment across all Councils in Northern Ireland.

Mr Allen of the NIAO and the Director of Finance and Governance responded to Members' questions.

Proposed by Councillor Webb
Seconded by Councillor Montgomery and agreed that

the report be noted.

NO ACTION

4.6 PT/CI/038 RECOVERY PLAN 2022/23 - PERFORMANCE PROGRESS REPORT QUARTER 2

Members were reminded that Part 12 of the Local Government Act (Northern Ireland) 2014 put 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 second quarter progress report was circulated for Members' attention.

The Director of Organisation Development provided responses to Members' queries regarding the achievement of performance objectives and the usage of satisfaction surveys to assess customer satisfaction.

Proposed by Councillor Goodman
Seconded by Councillor Montgomery and agreed that

(a) a review would be undertaken in relation to status definitions within the Progress Report tables

and

(b) a review of how Council assess customer satisfaction, be undertaken

*ACTION BY: Sandra Cole, Director of Finance and Governance
Debbie Rogers Director of Organisation Development*

4.7 PT/CI/033 PERFORMANCE GOVERNANCE ARRANGEMENTS

Members were reminded that Part 12 of the Local Government Act (Northern Ireland) 2014 put in place a framework to support the continuous improvement of Council services.

In response to the pandemic, the Council produced a Corporate Recovery Plan 2021-23 and subsequently developed Performance Governance Arrangements 2021-23 approved by the Audit Committee back in September 2021 to support performance management and improvement.

In 2022, as greater understanding of the impact of the pandemic on the Borough was apparent, the Council continued to strengthen and embed arrangements it had put in place to secure continuous improvement. The Corporate Recovery and Improvement Plan was approved in June 2022.

The Performance and Governance Arrangements had been reviewed and updated to support the Corporate Recovery and Improvement Plan 2022-23.

The revised Performance Governance Arrangements 2022-23 were circulated for Members' information.

Proposed by Councillor Montgomery
Seconded by Councillor Webb and agreed that

the report be noted.

NO ACTION

4.8 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 had been provided.

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

Item	Action	Progress update	Anticipated Completion Date
September 2022			
4.1	NIAO: REPORT TO THOSE CHARGED WITH GOVERNANCE 2021/22 (DRAFT)		
(i)	An action plan be brought to back to Committee outlining the matters raised within the Report to Those Charged with Governance 21/22.	Complete An action plan for the matters raised in the Report to Those Charged with Governance has been included within the Agenda of the December Audit and Risk Committee.	N/A
4.5	INTERNAL AUDIT UPDATE REPORT		
(i)	An update report be brought back to Committee on post project evaluations.	Complete An update report on the implementation of the Post Project Evaluation process has been included within the Agenda of the December Audit and Risk Committee.	N/A
5.4	CONCERNS RAISED AND INVESTIGATIONS UPDATE		
(i)	A further report be brought back to Committee in relation to the Time Management System in operation in Council.	Complete A report on the Council's Time Management System has been included within the Agenda of the December Audit and Risk Committee.	N/A

Proposed by Councillor Montgomery
Seconded by Councillor Webb and agreed that

the report be noted.

NO ACTION

4.9 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 20 September 2022 was circulate. 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 Councillor Montgomery
Seconded by Councillor Goodman and agreed that

the report be noted.

NO ACTION

4.10 FI/AUD/109 POST PROJECT EVALUATIONS

Members were reminded that in September 2022, the Audit and Risk Committee requested a progress update report on the implementation of the Post Project Evaluation process be brought back to the Committee.

The circulated report had been prepared for Members' information.

The Director of Finance and Governance highlighted for Members the main elements of the process.

Proposed by Councillor Webb
Seconded by Councillor Goodman and agreed that

the report be noted.

and

- i) further details on the contents of Post Project Evaluations be provided**
- ii) a schedule of Post Project Evaluations be provided to a future committee.**

ACTION BY: Sandra Cole, Director of Finance and Governance

4.11 FI/AUD/03 CORPORATE RISK REGISTER

Members were reminded that a report providing details of the Council's Corporate Risk Register, was presented to the Audit and Risk Committee on a quarterly basis.

All Corporate risks had 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, was circulated for Members' review.

The Director of Finance and Governance provided an update advising the main changes to the Corporate Risk Register and answered Members' queries.

Proposed by Councillor Montgomery
Seconded by Councillor Goodman and agreed that

the report be noted and officers would consider Members' comments when reviewing corporate risks.

ACTION BY: Sandra Cole, Director of Finance and Governance

4.12 D/GEN/121 TIME MANAGEMENT SYSTEM

Members were advised that the Council used time and attendance management software called TMS. This software was supplied and supported by Advance Systems Ireland. TMS was originally introduced in 2007 by legacy Newtownabbey Borough Council and replaced manual clocking cards and absence records. At the time of the merger in 2015, all staff were migrated on to the TMS system.

The primary function of TMS was to record time, with employees 'clocking in' via swipe card/fob, biometric finger print or at their desktop, depending on the available method at their work location.

Generally, employees would 'clock' 4 times per day, to include start time, finish time and a lunch break. If an employee missed a clocking, they were able to enter this retrospectively on the system. This request was then automatically sent to the Line Manager to approve or reject as appropriate.

The system also allocated and managed annual leave and public holiday entitlements and balances for employees. An employee was able to request, amend or delete leave entries as required, all of which were reviewed and approved or rejected by the Line Manager.

In addition to annual leave and public holidays, all other absence types were recorded on the TMS system including medical appointments and flexi leave which again were requested by the employee for approval or rejection by the Line Manager. Sickness absence or other statutory absences eg maternity were added directly by the Line Manager.

Where an employee worked overtime, an 'Exceptions report' allocating the extra hours to the appropriate rate and cost code was generated and approved by the Line Manager before being passed to Payroll for payment.

System access and profile information was controlled within the HR Section. An employee was assigned to the following profile:

PROFILE	ACCESS	USER
USER	Clock card Entitlements	All employees
SUPERVISOR	Full access and edit rights for employees reporting to them	Line Managers
HRADMIN	Access & edit rights to the following: <ul style="list-style-type: none">o Employee detailso Clock cardo Absence profileo Holiday calculationso Entitlements	Head of HR HR Manager HR Officers HR Advisors

PAYADMIN	Read only access to the following: <ul style="list-style-type: none"> o Minimum employee details o Clock card o Absence profile o Entitlements 	Payroll Manager Payroll Assistants
MASTER	Complete access to the system <i>(including server access during support calls, maintenance, upgrades, backups etc.)</i>	HR Systems & Data Analyst ICT Section ASI

Note. All employees had a personal account. Line Managers/HR etc cannot access their personal accounts via their Supervisor/Admin logins.

Proposed by Councillor Montgomery
Seconded by Councillor Webb and agreed that

the report be noted.

NO ACTION

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

PROPOSAL TO PROCEED 'IN CONFIDENCE'

Proposed by Councillor Webb
Seconded by Councillor Goodman 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 to Council services for Members' consideration.

Proposed by Councillor Webb
Seconded by Councillor Goodman and agreed that

the report be noted.

NO ACTION

5.2 IN CONFIDENCE FI/AUD/04 CONCERNS RAISED AND INVESTIGATIONS UPDATE

There had been no concerns raised or investigations undertaken since our last report in September 2022.

Proposed by Councillor Webb
Seconded by Councillor Goodman and agreed that

the report be noted.

NO ACTION

PROPOSAL TO PROCEED OUT OF 'IN CONFIDENCE'

Proposed by Councillor Webb
Seconded by Councillor Goodman 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 7:44 pm.

MAYOR