



16 June 2022

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

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

Dear Member

**MEETING OF THE AUDIT AND RISK COMMITTEE**

A meeting of the Audit and Risk Committee will be held in the **Council Chamber, Mossley Mill on Tuesday 21 June 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**

**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 and Risk Committee Annual Report 2021/22

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

4.1 Recovery Plan - Performance Progress Report Quarter 4

4.2 Corporate Recovery and Improvement Plan (Final Draft) 2022/23

4.3 Update on Audit and Risk Committee Actions

4.4 Internal Audit Update Report

4.5 Internal Audit Annual Report 2021/22

4.6 Internal Audit Quality Assurance and Improvement Programme  
2021/22

4.7 Review of the Effectiveness of the System of Internal Control 2021/22

4.8 Annual Governance Statement 2021/22

4.9 Financial Statement for the Year Ended 31 March 2022

4.10 Corporate Risk Register

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

5.1 NIPSO: Investigations – Council Services

5.2 Concerns Raised and Investigations Update

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

## **REPORT ON BUSINESS TO BE CONSIDERED AT THE AUDIT AND RISK COMMITTEE MEETING ON TUESDAY 21 JUNE 2022**

### **3 ITEMS FOR DECISION**

#### **3.1 FI/AUD/02 AUDIT AND RISK COMMITTEE ANNUAL REPORT 2021/22**

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

An Audit and Risk Committee Annual Report (**enclosed**) has been prepared outlining the Committee's activities during 2021/22 and how the Committee has discharged its roles and responsibilities as set out in the Audit and Risk 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 2022 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

## **4 ITEMS FOR INFORMATION**

### **4.1 PT/CI/038 RECOVERY PLAN - PERFORMANCE PROGRESS REPORT QUARTER 4**

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.

In response to the pandemic, Council produced a Corporate Recovery Plan 2021-23 which was approved in August 2021. This serves to ensure the recovery of our services and meeting the requirements of our statutory duties.

Members will know that the Council normally produces an annual Corporate Improvement Plan, however, given the uncertainty in the short term about recovery, we are unable to set targets for improvement. Members have agreed that we will measure and monitor the performance of the corporate indicators as set out in the Recovery Plan 2021-23.

A progress report for Quarter 4 is **enclosed** for Members' attention.

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

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

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

## 4.2 PT/CI/046 CORPORATE RECOVERY AND IMPROVEMENT PLAN (FINAL DRAFT) 2022/23

Members are reminded that Part 12 of the Local Government Act (Northern Ireland) 2014 puts in place a new framework to support the continuous improvement of Council services, in the context of strategic objectives and issues.

Section 85 of the Act requires a Council, for each financial year, to set itself improvement objectives for improving the exercise of its functions and to have in place arrangements to achieve those objectives. These objectives must be framed so that each improvement objective bring about improvement in at least one of the specified aspects of improvement as defined in Section 86: Strategic Effectiveness; Service Quality; Service Availability; Fairness; Sustainability; Efficiency; Innovation.

Guidance from the Department of the Environment, indicates that Councils should 'develop an on-going dialogue with our communities and areas that it serves, so that the setting of improvement objectives is a jointly owned process centred on a balanced assessment of the needs of the community as a whole, rather than any particular organisation or interest group within it.'

A Corporate Recovery and Improvement Plan (Draft for Consultation) 2022-23 was brought for Members' consideration in February 2022 and it was agreed to conduct a twelve-week consultation exercise to encourage feedback from our stakeholders. 36 responses were received and a summary of the consultation responses was reported to the Policy & Governance Committee in June 2022.

The final draft of the Corporate Recovery and Improvement Plan 2022-23, is enclosed for Members' consideration. This was amended to update final year-end figures and to include the performance improvement statutory indicator for the Department of the Economy in relation to the Go For It programme as reported to the Policy & Governance Committee in June 2022.

Whilst no changes were deemed necessary to the recovery and improvement objectives set out in the plan, comments and feedback received from the consultation will be incorporated into the implementation plans derived out of the final Corporate Recovery and Improvement Plan 2022-23.

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

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

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

### 4.3 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.

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>Management have considered and implemented the improvement actions and have been working with Learning and Development in preparing appropriate contract management (and other) training.</p> <p>With Management's priorities being the preparation of the 2021/22 Financial Statements and the implementation of the new Payroll system, a report will be provided at the next</p>	20 September 2022

Item	Action	Progress update	Anticipated Completion Date
		Committee meeting in September 2022.	
(iii)	Elected Members and Audit Committee Members to receive contract management training and procurement training.	<b>In Progress</b> As referenced above, Finance has been working with Learning and Development to arrange appropriate contract management and procurement training within the Elected Member Training Programme. This training will also be offered to Members of the Audit and Risk Committee. This will be communicated to Members in due course.	30 September 2022

### March 2022

<b>3.2</b>	<b>Review of the Effectiveness of the Audit Committee</b>		
(i)	That the Committee approves the results of the review of the effectiveness of the Audit and Risk Committee and that these results be reported to the June 2022 Council meeting.	<b>Complete</b> The results of the review of the effectiveness of the Audit Committee and the Audit Committee Annual Report 2021/22 are included in this Committee's agenda and the Council meeting agenda for 27 June 2022.	N/A
<b>4.8</b>	<b>Internal Audit Update Report</b>		
(i)	In response to a query from Councillor Webb, the Head of Internal Audit agreed to provide clarification in relation to Capital Projects as referenced in the report.	<b>Complete</b> The requested information was provided to Cllr. Webb on 23 March 2022.	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

#### **4.4 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 22 March 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

#### **4.5 FI/AUD/01 INTERNAL AUDIT ANNUAL REPORT 2021/22**

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 2022.

**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/01 INTERNAL AUDIT QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME 2021/22**

The Public Sector Internal Audit Standards (PSIAS) requires Internal Audit “to develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity.”

The results of the quality assurance and improvement programme must be communicated to the Audit and Risk Committee and the Corporate Leadership Team.

The annual review of the quality assurance improvement programme has been completed for Internal Audit 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

#### **4.7 FI/AUD/01 REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL CONTROL 2021/22**

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

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

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 2021/22 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 and Risk Committee for approval in September 2022.

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

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

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

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

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 2022 as set out in the Comprehensive Income and Expenditure Statement and financial position set out in the Balance Sheet as at 31 March 2022 (**enclosed**).

Independent audit of the draft Financial Statements will proceed after submission to the Department for Communities by 30 June 2022 and the audited final Financial Statements will be provided to the Audit and Risk Committee for approval in September 2022.

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

Prepared by: Richard Murray, Head of Finance

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

#### **4.10 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