



**MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE AUDIT AND RISK COMMITTEE
HELD IN ANTRIM CIVIC CENTRE ON TUESDAY 19 SEPTEMBER 2023 AT 6.30 PM**

- In the Chair** : Councillor M Goodman
- Committee Members Present (In person)** : Councillors – A Bennington, A McAuley, S Wilson
- Committee Members Present (Remote)** : Alderman M Magill
Councillor B Mallon
- Independent Member (Remote)** : Mrs G Nesbitt
- Non Committee Members (Remote)** : Councillor B Webb
- Officers Present** : Director of Finance & Governance – S Cole
Director of Organisation Development – J Close
Head of Internal Audit – P Caulcutt
Head of Organisation Development – L Millar
Head of ICT – G Smyth
Audit & Risk Officer – D Brown
ICT Helpdesk Support Officer – A Cole
Member Services Officer – C McGrandle
Member Services Officer - C McIntyre
- In Attendance (Remote)** : F Magowan – NI Audit Office
C Hagan – ASM Accountants

CHAIRPERSON'S REMARKS

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

The Chairperson further extended a welcome to Finula Magowan from the NI Audit Office and Christine Hagan from ASM Accountants, Belfast.

1. APOLOGIES

None.

2. DECLARATIONS OF INTEREST

None.

3. INTRODUCTION OF NEW STAFF

Member Services Officer – C McGrandle

The Director of Finance and Governance and Director of Organisation Development introduced all the senior Officers present at the meeting within their respective teams and outlined their job roles.

ITEMS FOR DECISION

4.1 G/MSMO/140 AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

Antrim and Newtownabbey Borough Council conducts its business through a traditional committee system, where business is initially considered by one of its Committees forming a key component of Antrim and Newtownabbey Borough Council's corporate governance framework.

In line with good governance arrangements, Terms of Reference (TOR) are required for each Committee.

The Audit and Committee Terms of Reference had been rewritten to reflect the revised CIPFA Audit Committees: Practical Guidance for Local Authorities and Police 2022 (circulated). The Terms of Reference set out the roles and responsibilities of the Committee in accordance with this guidance.

A copy of the draft Audit and Risk Committee Terms of Reference was circulated for approval by Members prior to publication on the Council website.

Councillor Bennington asked that tracked changes be made to documents going forward for Members' information.

Proposed by Councillor Wilson

Seconded by Councillor Bennington and agreed that

the Audit and Risk Committee Terms of Reference be approved.

ACTION BY: Liz Johnston, Deputy Director of Governance

4.2 FI/FIN/SOA/09 ANNUAL GOVERNANCE STATEMENT 2022/23

Members were reminded that a copy of the draft Annual Governance Statement 2022/23 was provided to them in July 2023 and that this Statement along with the draft Financial Statements were submitted to the Department of Communities for external audit.

A number of minor amendments had been suggested by external audit to provide additional clarity, and management had agreed to make these.

A copy of the updated Annual Governance Statement 2022/23 was circulated, 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."

Proposed by Councillor Bennington
Seconded by Councillor McAuley and agreed that

- (a) the Annual Governance Statement 2022/23 be approved; and**
- (b) the Annual Governance Statement 2022/23 be signed and dated by the Chair of the Audit and Risk Committee.**

ACTION BY: Liz Johnston, Deputy Director of Governance

4.3 FI/FIN/SOA/09 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Members were reminded that details of the (unaudited) Statement of Accounts for the year ended 31 March 2023, were presented at the June 2023 Council meeting and that the Audit & Risk 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 were 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 2023 were circulated.

Proposed by Councillor Bennington
Seconded by Alderman Magill and agreed that

- (a) the Statement of Accounts for the year ended 31 March 2023 be approved; and**
- (b) the Statement of Accounts be signed and dated by the Chair of the Audit and Risk Committee.**

ACTION BY: Richard Murray, Head of Finance

5 ITEMS FOR NOTING

5.1 FI/FIN/SOA/09 NIAO: REPORT TO THOSE CHARGED WITH GOVERNANCE 2022/23 (DRAFT)

Members were advised that the Local Government Auditor had completed the audit of the Statement of Accounts for the year ended 31 March 2023 and had now issued the draft Report to Those Charged with Governance (circulated).

A copy of the final Report to Those Charged with Governance, incorporating management responses, would be presented at the next Committee meeting in December 2023.

Christine Hagan, ASM Accountants, provided a detailed summary of the content of the circulated draft Report.

Proposed by Councillor Wilson

Seconded by Councillor Bennington and agreed that

the report be noted.

NO ACTION

5.2 PT/CI/038 2022-23 ANNUAL SELF-ASSESSMENT REPORT ON PERFORMANCE

Members were advised that Part 12 of the Local Government Act (Northern Ireland) 2014; Section 92 (2) (b) (i) & (ii) requires the Council to publish an assessment of its performance in the previous financial year, and include a comparison of performance against other councils where possible.

The 2022-23 Annual Self-Assessment on Performance (circulated) provided an assessment of the Council's performance in relation to its statutory performance and self-imposed indicators.

Proposed by Councillor McAuley
Seconded by Councillor Wilson and agreed that

the report be noted.

NO ACTION

5.3 PT/CI/049 CORPORATE PERFORMANCE AND IMPROVEMENT PLAN - PROGRESS REPORT QUARTER 1

Members were advised that it was agreed at the August Council meeting that quarterly performance reports would be circulated to the relevant Committee or Working Group.

The Local Government Act (Northern Ireland) 2014 (Part 12) puts in place a framework to support the continuous improvement of Council services.

The Council's Corporate Performance and Improvement Plan 2023/24 sets out a range of robust performance targets, along with six identified improvement objectives and statutory performance targets.

The Quarter 1 Performance Progress report, which had been reported to the relevant committees, was circulated for Members' information.

Proposed by Councillor McAuley
Seconded by Alderman Magill and agreed that

the report be noted.

NO ACTION

5.4 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 had been provided.

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

Item	Action	Progress update	Anticipated Completion Date
December 2022			
4.6	RECOVERY PLAN- 2022/23 – PERFORMANCE PROGRESS REPORT QUARTER 2		
(i)	A review of how Council assess customer satisfaction be undertaken.	In Progress A review of how the Council obtains and assesses customer satisfaction is underway.	31 March 2024
4.10	POST PROJECT EVALUATIONS		
(ii)	A schedule of Post Project Evaluations be provided to a future Committee.	Complete A schedule of projects has been developed and included within this Committee's agenda.	N/A
March 2023			
4.1	REVIEW OF THE EFFECTIVENESS OF THE AUDIT AND RISK COMMITTEE 2022-23		
(i)	The results of the review of the effectiveness of the Audit and Risk Committee be approved and that these results be reported to the June 2023 Council meeting.	Complete The results of the review of the effectiveness of the Audit and Risk Committee were reported to the June 2023 Council meetings.	N/A
4.2	INTERNAL AUDIT STRATEGY 2023-2027 AND AUDIT PLAN 2023-24		
(i)	Officers agreed to further consider a number of issues raised by Members and respond to them in due course.	In Progress Suggestions raised by Members will be considered during the development of the 2024/25 Internal Audit Strategy and Plan.	31/03/24

Item	Action	Progress update	Anticipated Completion Date
5.2 RECOVERY PLAN 2022-23 – QUARTER 3 PERFORMANCE PROGRESS REPORT			
(i)	In response to a query from the Independent Member, the Chair agreed that Officers provide clarification to Members.	Complete The Planning figures are provided by the Department of Infrastructure each quarter. The 2022/23 Quarter 3 figures were impacted by the implementation of the new Planning Portal, with complete figures for Quarter 3 not being provided. These were marked as 'On Track' based on performance projections to year end.	N/A
5.6 POST PROJECT EVALUATION			
(i)	In response to a query from the Independent Member, Officers agreed to review the wording of a statement in the Business Case Pro Forma.	Complete Wording has been considered and the Business Case Pro Forma has been amended accordingly.	N/A

Proposed by Councillor Bennington
Seconded by Alderman Magill and agreed that

the report be noted.

NO ACTION

5.5 FI/AUD/01 INTERNAL AUDIT UPDATE REPORT

Members were advised that the report (circulated) provided a summary of Internal Audit activity since the Audit and Risk Committee last met in March 2023 (circulated). 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).

Members' queries in relation to the Attendance Management report were addressed by the Director of Organisation Development and Head of Internal Audit.

Mrs Nesbitt suggested further detailed regular reporting on Attendance Management should be brought back to the Audit and Risk Committee.

Proposed by Councillor McAuley
Seconded by Councillor Wilson and agreed that

the report be noted

and

Proposed by Mrs Nesbitt
Seconded by Councillor Bennington that

further detailed regular reporting on attendance management be brought to the Committee.

ACTION BY: Jennifer Close, Director of Organisation Development

5.6 FI/AUD/112 NATIONAL FRAUD INITIATIVE 2022

Members were reminded Members that the Council had been participating in the latest National Fraud Initiative exercise and had been investigating the matches provided as per the approach reported to the Audit & Risk Committee in March 2023.

Council had substantially completed its investigations and a progress report outlining the results of our work was circulated for Members' information.

No frauds had been identified through the work undertaken during this National Fraud Initiative exercise.

The remaining matches yet to finalise (11 matches) were in relation to Payroll matches with other public sector organisations. The finalisation of these matches would be dependent on the information flow to and from these counterparties.

The completion of these matches would be undertaken throughout the remainder of this year and will be finalised prior to the deadline of 31 March 2024. An update report would be provided to the Audit Committee where there was an outcome to any of the investigations.

Proposed by Councillor Bennington
Seconded by Councillor McAuley and agreed that

the report be noted.

NO ACTION

5.7 FI/AUD/03 CORPORATE RISK REGISTER

Members were reminded Members 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 a detailed summary of the report and addressed Members' queries.

Proposed by Councillor McAuley
Seconded by Councillor Bennington and agreed that

the report be noted.

NO ACTION

5.8 PT/TP/021 POST PROJECT EVALUATIONS

Members were reminded that in March 2023, the Audit and Risk Committee noted a new Post Project Evaluation (PPE) process, which was to be co-ordinated across the Council.

The process would be administered by the Performance Improvement team, with project owners responsible for setting the pre-project targets within the business case and completing the PPE against these targets at the end of the realisation period(s).

A schedule (circulated) had been developed to monitor the timeframes in which PPEs were to be completed.

A report would be brought back to the Audit and Risk Committee bi-annually (December and June), with an update on the completion of PPE's and a revised schedule. The completed PPEs would be reported to the relevant Committees, providing the necessary assurances that they were being completed.

The Director of Finance and Governance addressed Members' queries.

Proposed by Councillor Bennington
Seconded by Councillor Wilson and agreed that

the report be noted.

NO ACTION

The Chairperson took the supplementary item at this point.

5.9 FI/AUD/02 AUDIT COMMITTEE TRAINING

Members were reminded that they had been advised at Audit and Risk Committee training held on 20 June 2023 that the Northern Ireland Audit Office (NIAO) and the Northern Ireland Local Government Association (NILGA) were partnering to deliver regional training for Audit Committee Members.

A lunchtime training session for all Councillors involved in Audit Committees had been coordinated for 12:30 to 14:00 on Friday 6 October 2023 as an online training session.

A leaflet had been circulated for Members' information.

If Members wished to avail of this training, they can arrange by either contacting NILGA directly using the contact information provided, or by contacting Learning and Development who will register interest on Members' behalf.

Proposed by Councillor McAuley

Seconded by Councillor Bennington and agreed that

the report be noted.

NO ACTION

PROPOSAL TO PROCEED 'IN CONFIDENCE'

Proposed by Councillor Wilson

Seconded by Councillor Bennington and agreed

that any remaining Committee business be taken in Confidence.

The Chairperson advised that the live stream and audio recording would now cease.

6 ITEMS FOR CONFIDENCE

6.1 IN CONFIDENCE ICT/GEN/020 CYBER SECURITY UPDATE

Cyber Security remained a priority for the ICT Department, with a significant percentage of the ICT budget allocated to protecting Council's data and assets.

The Council also actively monitor the risk of cyber attack as part of the regular Corporate Risk Management process.

While threats to all public organisations continue to rise the global threat level remains **Guarded**. (source: Centre of Internet Security)



Guarded indicates a general risk of hacking, virus, or other malicious activity. The potential exists for malicious cyber activities, but no known exploits have been identified.

Council's status also remains constant with a ranking of **Protected**, indicating that the systems that are in place are effectively managing and monitoring for threats. While there is no cause for concern, significant effort must be put into maintaining the Council's Cyber resilience.



Council IT continue to maintain a number of critical IT security systems – the statistics below provide insight into cyber activity. (Q1 2023)

	Q1 22-23	Q1 23-24
Firewall		
Intrusions blocked by Intrusion Protection System	785	986
Trend Micro Cloud App Security		
Total number of emails scanned	756,303	896,451
Ransomware detected and blocked	0	0
High Risk Malicious Files blocked	125	179
Web Reputation – Malicious URLs blocked (Credential Phishing/Scam/Malware)	79	95
Phishing emails blocked	201	295
Office 365 Advanced Threat Detection		
URL Threat Protection	29	36
Phishing File Protection	429	489
Anti-malware engine	346	389
Edge Protection (IP & Domain Reputation)	66,762	75,145
Trend Micro Apex Security		
Viruses detected and cleaned	2	3

Cyber Security Controls

Trend XDR – Security as a Service

In the past six months, Council had invested further in a Security as a Service platform. Trend XDR, which stands for Extended Detection and Response, represents a significant shift in the approach to cybersecurity, moving beyond traditional threat detection and response methods. XDR integrates and

analyses data from various security tools and sources, providing a more holistic view of Council's security posture.

Trend XDR goes beyond the limitations of traditional cybersecurity approaches by leveraging advanced analytics and machine learning algorithms. It can detect and automatically respond to threats across multiple vectors, such as network, endpoint, email, and cloud environments, making it highly effective in identifying complex and sophisticated attacks. By centralising and correlating data from different sources, XDR offers improved threat visibility, allowing Council ICT to identify and mitigate threats more efficiently.

A Security as a Service platform aims to enhance security operations by automating threat detection and response processes. This automation provides Council with 24/7 proactive threat protection strengthening Council's security posture.

Trend XDR's ability to provide real-time insights, automate responses, and adapt to emerging threats positions it as a vital component of modern cybersecurity strategies. As cyber threats continue to evolve, Trend XDR is expected to play a crucial role in helping Council stay ahead of cyber adversaries and safeguard our digital assets.

Additional Cyber Controls

In addition to the investment in Trend XDR, ICT use a number of systems to help protect Council from cyber-attacks. An overview of some of the key systems is provide below:

Perimeter Security

Council utilised industry leading firewalls, antivirus and Cloud application security solutions. These are the core security systems that protect the Councils Network from attack.

Protective DNS

Council makes use of the Protective Domain Name Server (PDNS) service provided by the National Cyber Security Centre (NCSC). PDNS prevents access to domains (websites) known to be malicious. Preventing access to malware, ransomware, phishing attacks at source makes our network more secure.

Web Check

Council have signed up to the Web Check service which is provided by NCSC. This service will periodically scan Council websites to ensure they are secure and no known vulnerabilities are detected.

Early Warning Service

Early Warning Service is another NCSC solution that will continually monitor Council network and provide early warning of potential malicious activity. Council IT will then receive alerts allowing for immediate preventative action

to be taken.

By partnering with NCSC in the use of these services, we are benefitting from the massive investment made by the UK Government into Cyber Security.

Conditional Access

Council uses Microsoft Office 365 (O365) for our email services. As part of our relicensing arrangements in January 2021, Council IT made a change to our licensing agreement, to avail of a service called Conditional Access. Conditional Access allows Council IT to control what countries our email services can be accessed in. By setting access to only UK and Ireland, the possibility of our email system being compromised is significantly reduced. Arrangements can be made for officers and Members to access our email services for a defined period of time in other countries on request.

Business Continuity Plan Test

A Cyber Security scenario has been tested against a key Council Service to test and enhance BCP performance against a cyber-attack. It is planned to test the same scenario with other Services during the course of the next 12 months.

Members' queries in relation to protections in place against potential cyber attacks were addressed by the Head of ICT.

Proposed by Councillor Bennington
Seconded by Alderman Magill and agreed that

the report be noted.

NO ACTION

6.2 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 Wilson
Seconded by Councillor Bennington and agreed that

the report be noted.

NO ACTION

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

A report containing an update on concerns raised and investigations since the Audit and Risk Committee last met in March 2023 (circulated).

The Head of Internal Audit provided a detailed summary of the report and addressed Members' queries.

Proposed by Councillor Bennington
Seconded by Councillor McAuley and agreed that

the report be noted.

NO ACTION

PROPOSAL TO PROCEED OUT OF 'IN CONFIDENCE'

Proposed by Councillor Bennington
Seconded by Councillor McAuley 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 participation over the past term of Council. The meeting concluded at 7.49pm.

MAYOR