



**MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE AUDIT COMMITTEE HELD IN
MOSSLEY MILL ON TUESDAY 22 JUNE 2021 AT 6.30 PM**

- In the Chair** : Councillor A McAuley
- Committee** : Councillors – A Bennington, M Goodman, P Hamill,
R Kinnear and J Montgomery
- Independent Member** : G Nesbitt
- Non Committee Members Present** : Councillors – V McWilliam and B Webb
- Officers Present** : Deputy Chief Executive of Finance and Governance
(Interim) – S Cole
Head of Internal Audit – P Caulcutt
Head of Finance (Interim) – R Murray
Head of Governance – L Johnston
Head of ICT – G Smyth
ICT Helpdesk Officer – J Wilson
Member Services Officer – S Boyd
- In attendance:** A Allen – NI Audit Office
J McCallion – ASM Accountants

CHAIRPERSON'S REMARKS

The Chairperson welcomed everyone to the quarterly Audit Committee Meeting and reminded all present of recording requirements. The Chairperson further extended a welcome to Andrew Allen from the NI Audit Office and Jason McCallion from ASM Accountants.

In order to protect public health during the current COVID-19 emergency it was not possible to allow the public or the press to physically attend the meeting. The public and the press can access those parts of the meeting which they are entitled to attend via livestream (a link to which is on the Council website). The meeting minutes and audio recording would be published on the Council's website.

1. APOLOGIES

None

2. DECLARATIONS OF INTEREST

None

3 ITEMS FOR DECISION

3.1 FI/AUD/02 AUDIT COMMITTEE ANNUAL REPORT 2020/21

Members were 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”.

An Audit Committee Annual Report (circulated) had been prepared outlining the Audit Committee's activities during 2020/21 and how the Committee has discharged its roles and responsibilities as set out in the Audit Committee Terms of Reference.

Members were asked to review and agree the report prior to it being provided to Full Council.

Members were also reminded that on 22 March 2021 they approved the Review of the Effectiveness of the Audit Committee (circulated) and that this report be provided to Full Council.

Proposed by Councillor Montgomery
Seconded by Councillor Hamill and agreed

that the Committee approves the Audit Committee Annual Report and that the report be provided to Full Council.

ACTION BY: Paul Caulcutt, Head of Internal Audit

4 ITEMS FOR INFORMATION

4.1 PT/CI/036 GOVERNANCE ARRANGEMENTS – CORPORATE RECOVERY PLAN 2021-23

The Council is committed to ensuring that the Borough not only recovers from the pandemic but that it continues to develop and grow to be a place where people chose to invest, live in, work and visit.

Council approved a Recovery Plan (2021-23), which is subject to consultation. This sets out an ambitious plan for recovery and renewal. The vision set out in our Corporate Plan remains our guiding principle: to be: “A progressive, smart and prosperous Borough. Inspired by our people. Driven by ambition.” To realise this vision, the Council recognised it must work in collaboration with others, particularly our Community Planning partners under the framework of our Love Living Here Community Plan. The Pandemic had impacted on our

pursuit of the long-term objectives set-out in those two key strategies, but they remained our focus.

This Recovery Plan would sit alongside these Plans to guide us through this period of uncertainty to assist us to work towards the goals and ambitions we have already committed to.

Members were 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 was awaiting formal guidance from the Department for Communities in relation to the arrangements for 2021-22, however it was expected that the improvement duty would reflect a "broader definition" stretching beyond improvement to include recovery objectives. Our Recovery Plan specified actions to recover Council services post Covid, and also included statutory indicators.

To ensure delivery of the Recovery Plan, a robust governance framework had been developed, which was circulated for Members' information.

The Independent Member requested it be noted that she had received the Corporate Recovery Plan and would review and provide feedback to Officers.

Proposed by Councillor Montgomery
Seconded by Councillor Goodman and agreed

that the report be noted.

NO ACTION

4.2 FI/AUD/02 UPDATE ON AUDIT COMMITTEE ACTIONS

As part of the reporting process to the Audit Committee, a progress update of actions raised from each Audit Committee had been provided.

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

Item	Action	Progress update	Anticipated Completion Date
December 2019			
4.3	NIAO: PERFORMANCE IMPROVEMENT AUDIT AND ASSESSMENT REPORT 2019/20		
(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.	In Progress 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. However, this meeting was postponed and the Terms of Reference is due to be brought to a meeting at a future date.	Unknown at present
December 2020			
6	Any Other Business – Remote Working		
(i)	A report on remote working be brought back to the Audit Committee.	Complete A report on Remote Working is included in this Committee's agenda.	N/A
March 2021			
3.2	Review of the Effectiveness of the Audit Committee		
(i)	The results of the review of the effectiveness of the Audit Committee be approved and reported to the June 2021 Audit Committee and Council meetings.	Complete The results of the review of the effectiveness of the Audit Committee and the Audit Committee Annual Report 2020/21 are included in this Committee's agenda and the Council meeting agenda for 28 June 2021.	N/A
4.2	NIAO: Report to Those Charged with Governance 2019/20		
(i)	Following a question from a Member, the External Auditor undertook to seek clarity on disclosure of information referenced on page 11 of the report, and to further update Members.	Complete The External Auditor provided an update to Members on 15 April 2021.	N/A

Proposed by Councillor Hamill
Seconded by Councillor Montgomery and agreed

that the report be noted.

NO ACTION

4.3 FI/AUD/01 INTERNAL AUDIT UPDATE REPORT

A report containing a summary of Internal Audit activity since the Audit Committee last met on 22 March 2021 was 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).

Proposed by Councillor Montgomery
Seconded by Councillor Goodman and agreed

that the report be noted.

NO ACTION

4.4 FI/AUD/01 INTERNAL AUDIT ANNUAL REPORT 2020/21

In accordance with the Public Sector Internal Audit Standards (PSIAS), the Head of Internal Audit was 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 limited to the work performed during the year.

An annual opinion had been provided for Antrim and Newtownabbey Borough Council in the circulated Internal Audit Annual Report for the year ended 31 March 2021.

Following a question from a Member the Head of Internal Audit provided clarity on Residual Risk within the System of Governance, Risk Management and Control.

Proposed by Councillor Montgomery
Seconded by Councillor Hamill and agreed

that the report be noted.

NO ACTION

4.5 FI/AUD/01 REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL CONTROL 2020/21

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 had been completed for Antrim and Newtownabbey Borough Council and a copy was circulated for Members' consideration.

Proposed by Councillor Hamill
Seconded by Councillor Bennington and agreed

that the report be noted.

NO ACTION

4.6 FI/FIN/SOA/07 ANNUAL GOVERNANCE STATEMENT 2020/21

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 2020/21 had been completed for Antrim and Newtownabbey Borough Council and a copy was circulated for Members' review.

On completion of the audit of the Financial Statements the final Annual Governance Statement would be brought back to the Audit Committee for approval in September 2021.

Proposed by Councillor Montgomery
Seconded by Councillor Bennington and agreed

that the draft Annual Governance Statement be noted.

NO ACTION

4.7 FI/FIN/SOA/07 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 would provide Members with details of the Council's financial performance for the year ended 31 March 2021 as set out in the Comprehensive Income and Expenditure Statement and financial position set out in the Balance Sheet as at 31 March 2021 (circulated).

Independent audit of the draft Financial Statements would proceed after submission to the Department for Communities by 30 June 2021 and the audited final Financial Statements would be provided to the Audit Committee for approval in September 2021.

Following questions from Members the Deputy Chief Executive of Finance and Governance (Interim) agreed to bring back reports to a future meeting on the increase in pension liability, and on the cost of the COVID-19 Pandemic to Council to date.

Proposed by Councillor Montgomery
Seconded by Councillor Hamill and agreed

that the report be noted.

ACTION BY: Sandra Cole, Deputy Chief Executive of Finance and Governance (Interim)

4.8 FI/AUD/03 CORPORATE RISK REGISTER

Members were reminded that a report providing details of the Council's Corporate Risk Register, is presented to the Audit 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.

Following questions from a Member the Deputy Chief Executive of Finance and Governance (Interim) provided clarity on business continuity plans and IT system testing, and agreed that a report on Business Continuity testing be brought to a future meeting of the Committee, and, following a further question from a Member to provide them with further details on the Reduced Community Development Risk.

Proposed by Councillor Hamill
Seconded by Councillor Goodman and agreed

that the report be noted.

ACTION BY: Sandra Cole, Deputy Chief Executive of Finance and Governance (Interim)

4.9 FI/FIN/047 REMOTE WORKING

Following an action agreed by the Audit Committee in December 2020, a report on remote working was brought to the Policy and Governance Committee in May 2021.

The Policy and Governance Committee agreed the following Policy position in respect of remote working:

- 1) Staff incrementally return to the office as and when it is safe to do so, in line with the NI Executive's pathway out of restrictions; and
- 2) Business meetings continue to be held virtually if possible, to address objectives within the Climate Change Action Plan.

The position of remote working would be kept under review, depending on the potential requirements of external bodies and report back to the Policy and Governance Committee, where required.

Proposed by Councillor Goodman
Seconded by Councillor Montgomery and agreed

that the report be noted.

NO ACTION

4.10 FI/AUD/04 ANTI-FRAUD AND CORRUPTION POLICY

Members were reminded that the Council has an Anti-Fraud and Corruption Policy which was implemented in April 2015 and updated in March 2019.

In line with the Council's Policy Framework, Officers had undertaken a review of this Policy (circulated) in order to ensure the contents are consistent with current guidance and it included the correct referencing to other recently reviewed Policies.

The revised Policy had been reviewed and approved by the Corporate Leadership Team and the Policy and Governance Committee.

The Policy sets out the Council's commitment to the prevention of fraud and corruption and the promotion of an anti-fraud culture. The Council operates a zero tolerance attitude to fraud and corruption, whether from internal or external sources and requires staff and individuals/organisations to act with honesty and integrity, to safeguard public resources and to report all suspicions of fraud and corruption.

The Anti-Fraud and Corruption Policy defines the three main offences of fraud, as set out in the Fraud Act 2006. These are:

- Fraud by false representation
- Fraud by failing to disclose information
- Fraud by abuse of position

The Policy also provides details of the anti-fraud and corruption roles and responsibilities of all levels throughout the Council. It provides detailed guidance on fraud prevention, detection and investigation as well as a guideline for reporting suspicions of fraud or corruption.

Proposed by Councillor Hamill
Seconded by Councillor Bennington and agreed

that the report be noted.

NO ACTION

4.11 FI/AUD/04 ANTI-BRIBERY POLICY

Members were reminded that the Council has an Anti-Bribery Policy which was implemented in April 2015 and updated in March 2019.

In line with the Council's Policy Framework, Officers had undertaken a review of this Policy (circulated) in order to ensure the contents are consistent with current guidance and it included the correct referencing to other recently reviewed Policies.

The revised Policy had been reviewed and approved by the Corporate Leadership Team and the Policy and Governance Committee.

The Policy sets out the Council's commitment to the prevention, deterrence and detection of bribery. It also provides a framework to enable employees to understand and implement arrangements enabling compliance with the Policy and to identify and effectively report potential breaches.

The Policy also defines Bribery in accordance with the Bribery Act 2010 as a criminal offence. As such, as a Council, we do not, and will not, offer or pay bribes or other improper inducements for any purpose, nor do we or will we, accept bribes or improper inducements such as gifts or hospitality.

The Council would assess the risk of bribery through Anti-Bribery Risk Assessments that will be completed bi-annually as part of the Management Assurance process. Where the risk of bribery is considered to be high, appropriate action will be taken by management to reduce the level of risk.

Proposed by Councillor Montgomery
Seconded by Councillor Goodman and agreed

that the report be noted.

NO ACTION

6. ANY OTHER BUSINESS

Following a request from a Member to change the name of the Audit Committee to the Audit and Risk Committee as they understood this had been discussed by Group Leaders, it was agreed that the Member would seek clarification from their Group Leader.

Councillor Kinnear left the meeting.

PROPOSAL TO PROCEED 'IN CONFIDENCE'

Proposed by Mrs Nesbitt
Seconded by Councillor Hamill 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 Hamill
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

A report containing an update on concerns raised and investigations since the Audit Committee last met in March 2021 was circulated.

Proposed by Councillor Goodman
Seconded by Councillor Hamill and agreed

that the report be noted.

NO ACTION

PROPOSAL TO PROCEED OUT OF 'IN CONFIDENCE'

Proposed by Councillor Hamill
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 8.01 pm.

MAYOR