



**MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE AUDIT AND RISK COMMITTEE
HELD IN MOSSLEY MILL ON TUESDAY 22 MARCH 2022 AT 6.30 PM**

In the Chair	:	Councillor A McAuley
Committee	:	Councillors – A Bennington, M Goodman, R Kinnear, B Mallon and J Montgomery
Independent Member	:	G Nesbitt
Non Committee Members Present	:	Councillors – N Ramsay, B Webb and R Wilson
Officers Present	:	Deputy Chief Executive of Finance & Governance – S Cole Head of Internal Audit – P Caulcutt Deputy Director of Finance – J Balmer Director Organisational Development – D Rogers Head of Performance and Transformation – H Hall Head of Governance – L Johnston ICT Systems Support Officer – D Mason ICT Helpdesk Officer – J Wilson Member Services Officer – J Moreland
In Attendance:	:	Northern Ireland Audit Office - A Allen ASM Accountants - J McCallion

CHAIRPERSON'S REMARKS

The Chairperson welcomed everyone to the Audit and Risk Committee Meeting, including Andrew Allen from the Northern Ireland Audit Office and Jason McCallion from ASM Accountants, 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 could continue to access those parts of the Council meetings which they are entitled to attend through the livestream on the Council's website.

1. APOLOGIES

None

2. DECLARATIONS OF INTEREST

None

3. ITEMS FOR DECISION

3.1 FI/AUD/01 INTERNAL AUDIT STRATEGY AND AUDIT PLAN 2022/23

The Head of Internal Audit was required to provide an annual opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. The basis of this opinion would be the work completed by the Internal Audit service over the year.

Due to the finite resources available, it was not possible to provide audit coverage of all aspects of the Council's activities within a given year. The Internal Audit Strategy (circulated) set out the audit coverage over a four year period, based on the assessment of risk, with 2022/23 being the final year of our four year strategy.

The Strategy also provided the Audit and Risk Committee and management with an understanding of Internal Audit's approach to developing the Strategy as well how the Service was delivered and assessed through the Quality Assurance and Improvement Programme.

In preparation of the 2022/23 Internal Audit Plan, the Council's risk registers (Corporate and Service) had been assessed to take into account the change in the Council's risk profile. This ensured that the 2022/23 audit coverage was risk based and provided a sound basis for the provision of a robust annual internal audit opinion at the end of the year.

The Internal Audit Plan for 2022/23 (circulated) had been consulted on and approved by the Corporate Leadership Team.

The Deputy Chief Executive of Finance and Governance and the Head of Internal Audit provided a response to a Member's query regarding Cyber Security and Energy Management.

Proposed by Mrs Grace Nesbitt
Seconded by Councillor Goodman and agreed

that the Committee considers the Internal Audit Plan, makes amendments as appropriate and approves the Internal Audit Plan for 2022/23.

ACTION BY: Paul Caulcutt, Head of Internal Audit

3.2 FI/AUD/02 REVIEW OF THE EFFECTIVENESS OF THE AUDIT AND RISK COMMITTEE 2021/22

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 of their performance".

Appendix E of the guidance also provided an 'Evaluating the Effectiveness of the Audit Committee' self-assessment checklist which enabled the Committee to undertake and report on the assessment of their performance throughout the year.

On 17 February 2022, Members of the Audit and Risk Committee participated in a facilitated self-assessment review of the performance of the Committee, where they completed the 'Evaluating the Effectiveness of the Audit Committee' self-assessment checklist.

The results of this review were circulated for Members' agreement.

These results, along with an Annual Report outlining the Audit and Risk Committee's activities during the year, would be reported to the June 2022 Council meeting as part of the year end reporting process.

Proposed by Councillor Goodman
Seconded by Councillor Bennington and agreed

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.

ACTION BY: Paul Caulcutt, Head of Internal Audit

4 ITEMS FOR INFORMATION

4.1 FI/FIN/SOA/07 NIAO: ANNUAL AUDIT LETTER 2020/21

Members were reminded that in September 2021, the Audit Committee approved the Statement of Accounts for the year ended 31 March 2021.

The Local Government Auditor issued the Annual Audit Letter 2020/21 (circulated) in January 2022 following completion of the audit of the Statement of Accounts by the Northern Ireland Audit Office.

Andrew Allen from the NIAO provided Members with an overview of the Annual Audit Letter.

Proposed by Councillor Montgomery
Seconded by Councillor Goodman and agreed that

that the report be noted.

NO ACTION

4.2 PT/CI/045 NIAO: PERFORMANCE AUDIT AND ASSESSMENT REPORT 2021/22

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 carried out an 'improvement audit' and an 'improvement assessment' in line with Sections 93 and 94 of the Local Government Act (Northern Ireland) 2014 and issued a Performance Improvement Audit and Assessment Report 2021-22 (circulated).

An unqualified audit opinion was achieved. The Local Government Auditor stated her belief that Antrim and Newtownabbey Borough Council had discharged its performance improvement and reporting duties, including its assessment of performance for 2020-21 and its 2021-22 improvement plan, and had acted in accordance with the Guidance.

Although not formal recommendations, the auditor made two proposals for improvement. An Action Plan (circulated) had been developed, setting out how the Council intends to address the proposals identified in the Report.

In terms of the 'improvement assessment', the Local Government Auditor assessed whether the Council was likely to comply with its performance improvement responsibilities. This year's audit assessment was impacted by delays in completing the previous period's report when legislative changes were required to clarify the performance improvement arrangements.

As such and in light of the impact of the Covid-19 pandemic on Council services, the Local Government Auditor had concluded that she was unable to reach an opinion on whether the Council was likely to have complied with its performance responsibilities for 2021-22.

Andrew Allen from the NIAO provided clarification to the Committee in response to a Member's query.

Proposed by Councillor Bennington
Seconded by Councillor Goodman and agreed that

the report be noted.

NO ACTION

4.3 FI/FIN/SOA/08 NIAO: ANTRIM AND NEWTOWNABBEY BOROUGH COUNCIL: AUDIT OF 2021/22 STATEMENT OF ACCOUNTS - AUDIT STRATEGY

The External Audit Strategy for the audit of the 2021/22 Statement of Accounts had now been received (circulated) which provided a clear understanding of how the NIAO plan to carry out the audit of the 2021/22 financial statements and the key risks identified in their planning work.

Jason McCallion of ASM Accountants provided an overview of the External Audit Strategy.

Proposed by Councillor Goodman
Seconded by Councillor Montgomery and agreed that

the report be noted.

NO ACTION

4.4 FI/AUD/02 NIAO: LOCAL GOVERNMENT AUDITOR'S REPORT 2021

After our December 2021 Audit Committee meeting, the Local Government Auditor published her report on the exercise of her functions in the year to 31 March 2021. This included the audit of the 2019/20 Financial Statements of the 11 Councils as well as the audit and assessment of Councils' performance improvement responsibilities for the 2020/21 year.

A copy of the Local Government Auditor's report was circulated for Members' information.

In her report, the Local Government Auditor had sought to highlight areas of strength and areas for improvement within local Councils.

The Local Government Auditor had also highlighted that while the short-term financial impact of the Covid-19 pandemic on local councils had been offset by additional central government funding, there would be long-term challenges for council services and finances.

The Local Government Auditor had highlighted that councils had to adapt quickly to the challenges of Covid-19, specifically in terms of innovation and collaborative working and support provided to local communities.

The report provided examples of how councils had played a lead role in coordinating partnerships that provided support and help for local communities during the pandemic. The example highlighted for Antrim and Newtownabbey Borough Council was on Page 42.

The Independent Member's suggestion to include key staff on the induction programme for new members of the Audit and Risk Committee was noted.

Proposed by Councillor Goodman
Seconded by Councillor Bennington and agreed that

the report be noted.

NO ACTION

4.5 PT/CI/038 RECOVERY PLAN - PERFORMANCE PROGRESS REPORT QUARTER 3

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

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

A progress report for Quarter 3 was circulated for Members' attention.

Councillor Goodman's request in relation to the Audit agenda and papers was noted.

The Deputy Chief Executive of Finance and Governance provided a response to a Member's query regarding Freedom of Information response performance.

Proposed by Councillor Montgomery
Seconded by Councillor Goodman and agreed that

the report be noted.

NO ACTION

4.6 PT/CI/046 CORPORATE RECOVERY AND IMPROVEMENT PLAN 2022/23 (DRAFT FOR CONSULTATION)

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 the context of strategic objectives and issues.

Section 85 of the Act required 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 so as to 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.

In response to the COVID-19 pandemic, the Council approved a Corporate Recovery Plan 2021-23. While we were still operating in a period of uncertainty, the Council was ambitious and an updated Corporate Recovery

and Improvement Plan 2022-23 (Draft for consultation) had been drafted (circulated) which would guide and assist the Council in working towards the goals and ambitions we had already committed to and fulfil our statutory performance duty.

The Plan provided an overview of some achievements to date, detailed our statutory targets and identified improvement objectives for customer service, leisure, staff attendance and prompt payments. The Plan also details performance targets for all service areas and these would be reported quarterly to Committee/Council, however do not form part of the Councils legislative duty.

Departmental guidance, indicated 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*”.

The Corporate Recovery and Improvement Plan 2022-23 (Draft for consultation) was presented to Council in February 2022, with a twelve-week consultation approved, to encourage feedback from our stakeholders, commencing on 7th March and running to 30th May 2022.

Following the consultation, a summary report of the responses would be presented to the Policy and Governance Committee, and a revised draft of the Plan would be brought to Members' attention in June 2022.

Proposed by Councillor Bennington
Seconded by Councillor Montgomery and agreed that

the report be noted.

NO ACTION

4.7 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 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.	<p>In Progress</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>	Unknown at present
December 2021			
3.1 Review of the Effectiveness of the Audit Committee 2021/22			
(i)	That a facilitated self-assessment session on 17 February 2022 be approved.	<p>Complete</p> <p>The self-assessment workshop to facilitate the review of the effectiveness of the Audit and Risk Committee took place on 17 February 2022.</p>	N/A
4.1 NIA: Annual Audit Letter 2020/21			
(i)	Circulate the Annual Audit Letter upon receipt.	<p>Complete</p> <p>The Annual Audit Letter was provided to Members of the Audit Committee on 23/12/21, with a revised version provided on 28/01/22.</p>	N/A
4.6 Internal Audit Update Report			
(i)	A report be brought back to the Committee on contract management actions for improvement.	<p>In Progress</p> <p>Management are considering the improvement actions and are working with Learning and Development in preparing appropriate contract management (and other) training.</p> <p>A report on these actions will be provided at the next Committee meeting in June 2022.</p>	21 June 2022

Item	Action	Progress update	Anticipated Completion Date
(ii)	A report be brought back to the Committee on frequency of refresher training.	Complete A report on Corporate Training has been included in this Committee's agenda.	N/A
(iii)	Elected Members and Audit Committee Members to receive contract management training and procurement training.	In Progress As referenced above, Finance is working with Learning and Development to arrange appropriate contract management and procurement training to include Elected Members and Audit and Risk Committee Members. This will be communicated to Members in due course.	30 June 2022
5.2 Concerns Raised and Investigations Update			
(i)	Head of Internal Audit to seek clarity and respond to the Cllr. Montgomery.	Complete Clarification was provided to Cllr. Montgomery on 13/01/22.	N/A
6.0 Any Other Business			
(i)	Head of Internal Audit to provide clarification to Cllr. Bennington on the naming of Committees.	Complete Clarification was provided to Cllr. Bennington on 01/03/22.	N/A

Proposed by Councillor Goodman
Seconded by Councillor McAuley and agreed that

the report be noted.

NO ACTION

4.8 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 14 December 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).

The Deputy Chief Executive of Finance and Governance and the Head of Internal Audit provided responses to queries from Members.

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.

Proposed by Councillor Montgomery
Seconded by Councillor Goodman and agreed that

the report be noted.

ACTION BY: Paul Caulcutt, Head of Internal Audit

4.9 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.

Councillor Montgomery's suggestion that any significant impacts as a result of industrial action be included within Risk Registers was noted.

Proposed by Councillor Montgomery
Seconded by Councillor Goodman and agreed that

the report be noted.

NO ACTION

4.10 HR/GEN/019 CORPORATE TRAINING

At the December 2021 Audit Committee, Members requested a report be provided on Corporate training, the frequency of refresher training and the use of online training.

The Council provided two categories of training; Mandatory and Corporate.

Mandatory training was for all staff within the organisation and must be undertaken. This included Health & Safety, Fraud Awareness, Social Media, Safeguarding, Code of Conduct, Induction, GDPR, and Equality & Diversity.

When a new employee was appointed, all Mandatory training was arranged as part of the Induction process. It was refreshed every 3 years, or sooner in line with changes to our policies and procedures or any legislative requirements.

Corporate training provided employees with development in their current role and also offered skills and competency development for the future. In role job specific training enabled employees to increase their skillset and covered training such as NPLQ for Lifeguards, forklift training and other professional and technical training that related to the job role. Corporate training built wider capacity of the Councils workforce and was targeted at developing skills such as ICT, communication, presentation, financial, contract/budget management, legislative and developing competency based programmes including Leadership. This included the LGTG programme.

Prior to the pandemic, training programmes were primarily delivered in person, however we were increasing our capacity to deliver training online where appropriate and to offer additional channels for self-development. Corporate training could be either self-driven, leader-led or by attending training courses, conferences and events.

We had successfully held a number of online training sessions for staff and we were currently developing the Council's eLearning platform for the roll out of more eLearning for staff and Elected Members. We continued to review employee development needed through our Employee Engagement Working Group which was currently considering proposals for a new Employee Induction which would be delivered by a combination of in house and online training.

A further report on Training and Development would be provided to Members through the Policy & Governance Committee.

Proposed by Councillor Bennington
Seconded by Councillor Montgomery and agreed that

the report be noted.

NO ACTION

4.11 FI/AUD/04 NIAO: INTERNAL FRAUD RISK GUIDE

The Northern Ireland Audit Office (NIAO) recently published their Internal Fraud Risk Guide (circulated) for Public Sector organisations in Northern Ireland.

Internal fraud (also referred to as staff fraud or insider fraud) was fraud committed against an organisation by someone employed by that organisation. Internal fraud could range from minor thefts of assets or inflated expense claims up to major diversion of funds, accounting frauds or exploitation of payroll or client data.

The guidance set out what fraud risks and red flags organisations should watch out for and the mitigating controls that could put in place to safeguard against fraud.

Within the guidance was a self-assessment checklist, which would be completed to provide assurance that Council arrangements were robust to mitigate against the risk of fraud, or to formulate actions needed where gaps were identified.

The guidance would also be referred to in the development of fraud refresher training for all staff to be rolled out in 2022/23.

Proposed by Councillor Goodman
Seconded by Councillor McAuley and agreed that

the report be noted.

NO ACTION

PROPOSAL TO PROCEED 'IN CONFIDENCE'

Proposed by Councillor Montgomery
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.

5 ITEMS FOR 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 Montgomery
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 and Risk Committee last met in December 2021, was circulated.

Proposed by Councillor Montgomery
Seconded by Councillor Goodman and agreed that

the report be noted.

NO ACTION

PROPOSAL TO PROCEED OUT OF 'IN CONFIDENCE'

Proposed by Councillor Bennington
Seconded by Councillor Montgomery and agreed that

any remaining Committee business be taken in Open Session.

The Chairperson advised that audio recording would resume. He thanked everyone for attending and thanked officers for their continuing support during his term as Chairperson of the Committee.

There being no further committee business the Chairperson thanked everyone for their attendance, and the meeting concluded at 7.28 pm.

MAYOR