



**MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE AUDIT COMMITTEE HELD IN
ANTRIM CIVIC CENTRE ON TUESDAY 12 DECEMBER 2017 AT 6.30 PM**

- In the Chair** : Councillor T Girvan
- Committee** : Councillors – D Hollis, M Maguire, M Rea, B Webb
- Independent Member** : Grace Nesbitt
- Officers Present** : Chief Executive – J Dixon
Head of Finance – J Balmer
Head of Governance – L Johnston
Head of Performance and Transformation – H Hall
Internal Auditor – P Caulcutt
ICT Systems Support – J Higginson
Member Services Manager – V Lisk
- In attendance** : Neil Gray (NI Audit Office)
Cara McCrory (PwC)
Michelle Maginnis (Grant Thornton)

CHAIRPERSON'S REMARKS

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

1. APOLOGIES

None.

2. DECLARATIONS OF INTEREST

Item 3.9 - Cara McCrory

3. REPORT ON BUSINESS TO BE CONSIDERED

3.1 FI/AUD/2 PREVIOUS ACTIONS

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

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

Item	Action	Progress update	Anticipated Completion Date
June 2017			
3.5	INTERNAL AUDIT UPDATE REPORT		
(i)	Internal Audit to consider inclusion of agency contracts in their next contract management audit.	To be completed The Terms of Reference for the Contract Management audit has been issued. The Agency Staff Contract will be selected for review as part of this audit. This audit is due for completion by 31 March 2018.	31 March 2018

Proposed by Councillor Hollis
Seconded by Councillor Webb and agreed that

the previous actions update be noted.

NO ACTION

3.2 CE/AO/32 IMPROVEMENT AUDIT AND ASSESSMENT - AUDIT AND ASSESSMENT REPORT 2017/18

Members were reminded that Part 12 of the Local Government Act (Northern Ireland) 2014 establishes that all Councils are 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 an Audit and Assessment Report 2017/18 (a copy of which was circulated).

This report set out key audit and assessment findings as well as some proposals for improvement.

An Action Plan (copy of which was circulated) had also been developed, setting out how the Council intends to address the areas identified in the NIAO's Audit and Assessment Report.

Proposed by Councillor Maguire
Seconded by Mrs Nesbitt and agreed that

the report and action plan be noted.

Councillor Maguire requested that Performance Improvement be a standing item on future Audit Committee agendas. A report will be made to outline the roles/responsibilities and scrutiny function of each Committee in due course.

ACTION: Helen Hall, Head of Performance and Transformation

Councillor Rea arrived during this item

3.3 FI/FIN/SOA/03 REPORT TO THOSE CHARGED WITH GOVERNANCE 2016/17

Members were reminded that in September 2017, the Audit Committee approved the Statement of Accounts for the year ended 31 March 2017. Members were also provided with a copy of the draft Report to Those Charged with Governance.

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

Proposed by Councillor Maguire
Seconded by Mrs Nesbitt and agreed that

the report be noted

Discussion took place regarding the report and the NI Audit Office noted the feedback from Members.

Mrs Nesbitt and the Chairperson thanked Officers for their diligence and hard work relating to prompt payments, since the issue was actively being addressed and improved.

ACTION BY: Ann Hamilton, Financial Controller

3.4 FI/FIN/SOA/03 ANNUAL AUDIT LETTER 2016/17

Members were reminded that in September 2017, the Audit Committee approved the Statement of Accounts for the year ended 31 March 2017.

The Local Government Auditor had now issued the Annual Audit Letter 2016/17 (a copy of which was circulated) following completion of the audit of the Statement of Accounts by the Northern Ireland Audit Office.

Proposed by Councillor Hollis
Seconded by Councillor Maguire and agreed that

the report be noted.

NO ACTION

3.5 FI/AUD/1 INTERNAL AUDIT UPDATE REPORT

A report containing a summary of Internal Audit activity for Antrim and Newtownabbey Borough Council, since the Audit Committee last met on 19 September 2017, was circulated. The report includes the objectives and conclusions reached for each completed assignment and management comments as applicable.

Proposed by Councillor Maguire
Seconded by Mrs Nesbitt and agreed that

the report be noted.

NO ACTION

Mrs Nesbitt and Members took the opportunity to congratulate staff in relation to the progression of audit actions.

3.6 FI/AUD/3 RISK MANAGEMENT: RISK REPORTING AND COMMUNICATION

The following parameters are now reported and presented to Committee on a quarterly basis.

- New risks added to the Corporate Risk Register (regardless of level of risk), and any closed risks
- Changes in risk level (regardless of risk level).
- Profile of the existing Corporate Risks (currently 21 risks) and the associated Risk Scores.

The current profile confirms there are no new or closed risks, and two changes to the previous risk levels. An increase in residual risk for the budgetary control risk reflects the reduction in income arising from the recent rates decision, and the increase in the ICT residual risk reflects the need to procure a new telephony system. The Industrial Relations risk level continues to remain unaltered (elevated risk reported last two quarters).

Existing Profile of the Council's Corporate Risk Register (As of 01/12/17)

Risk Number	Title	Total Risk Score		Changes In risk level
		Inherent	Residual	
Corporate Risk Register				
CPR000010	Budgetary Control	44	27	+13
CPR000044	ICT Infrastructure	36	28	+14
CPR000045	Adequate Reserves	36	6	None
CPR000046	Statutory and Regulatory Obligations	24	8	None
CPR000047	Procurement	40	12	None
CPR000014	Risk Management	36	24	None
CPR000015	Health, Safety and Wellbeing	52	21	None
CPR000016	Emergency Planning and Business Continuity	33	16	None
CPR000017	Governance Arrangements	64	24	None
CPR000018	Information Governance	48	24	None
CPR000019	Legal Issues	40	18	None
CPR000020	Skills and Knowledge	44	28	None
CPR000021	Safeguarding	36	18	None
CPR000022	Sickness Absence	44	21	None
CPR000023	Employee Relations	56	36	None
CPR000024	Employee Engagement	36	27	None
CPR000025	Council Reputation	44	21	None
CPR000026	Customer Satisfaction	36	28	None
CPR000203	Landfill and Waste Framework Directives	48	24	None
CPR000361	Council Policies and Procedures	28	21	None
CPR000246	Crematorium and Burial Provision	30	30	None

The Risk Register continues to be actively managed by Directors and Heads of Service.

Proposed by Councillor Maguire
Seconded by Mrs Nesbitt and agreed that

Committee note the current Profile reported in accordance with the agreed reporting protocol and that Officers review the risk register and include the risk associated with potential reductions in rates income due to revaluations.

The wording of this should reflect that whilst the Council can mitigate against this risk it has no control over the revaluations.

ACTION BY: John Balmer, Head of Finance

3.7 FI/AUD/4 DOA DoF 04/17 – NIAO: MANAGING THE RISK OF BRIBERY AND CORRUPTION GUIDE

The Council has been in receipt of correspondence from the Department of Finance (DAO (DoF) 04/17 – a copy of which was circulated advising that the Northern Ireland Audit Office (NIAO) has published the “Managing the Risk of Bribery and Corruption: A Good Practice Guide for the Northern Ireland Public Sector” (circulated).

The purpose of this Guide is to help:

- Identify how bribery and corruption can occur;
- Highlight key risk areas; and
- Provide advice on how such risks can be countered.

The Council will ensure the guidance is considered and that it complements the existing Anti-Fraud and Bribery Policies.

Proposed by Councillor Maguire
Seconded by Mrs Nesbitt and agreed that

the report be noted.

ACTION BY: Paul Caulcutt, Internal Auditor

PROPOSAL TO PROCEED ‘IN CONFIDENCE’

Proposed by Councillor Maguire
Seconded by Mrs Nesbitt and agreed that

any remaining Committee business be taken in Confidence.

C McCrory, J Balmer and H Hall left at this point of the meeting.

3.8 **IN CONFIDENCE** FI/AUD/4 FRAUD, WHISTLEBLOWING AND OTHER INVESTIGATIONS

A report containing a progress update on fraud, whistleblowing and other investigations, since the Audit Committee last met on 19 September 2017, was circulated. The report includes details of new, completed and ongoing investigations.

Proposed by Councillor Maguire
Seconded by Mrs Nesbitt and agreed that

the report be noted.

NO ACTION

3.9 **IN CONFIDENCE** FI/PRO/QUO/307 QUOTATION FOR THE PROVISION OF INTERNAL AUDIT SUPPORT SERVICES

Three quotations for the provision of internal audit support services were opened via eSourcing NI Portal on 4 December 2017 and referred to the Evaluation Panel for assessment. The quotations were evaluated on a two stage basis as follows:

STAGE 1 – SELECTION STAGE

The quotations were evaluated on a pass/fail basis for bidders' professional conduct, economic and financial standing, previous relevant experience, capacity and capability of the Internal Audit Assistant and declarations and form of quotation.

One quotation failed to meet the requirements at this stage and did not proceed to Stage 2 of the evaluation.

The remaining quotations met the requirements of Stage 1 of the evaluation process and proceeded to Stage 2. The quotations were evaluated as follows:

STAGE 2 – AWARD STAGE

Stage 1 – Technical Assessment

All bidders confirmed that their quotes met all the requirements of the Specification of Services.

Stage 2 Quality/ Commercial Assessment (60% / 40%)

Supplier	Quality Assessment (out of 60%)	Cost Assessment (out of 40%)	Total % Score	Total Estimated Cost Based on 20 Days for Internal Audit Assistant (£) (Excl VAT)

PricewaterhouseCoopers LLP	55.20%	40.00%	95.20%	£7,300
			%	£

Proposed by Councillor Maguire
Seconded by Mrs Nesbitt and agreed that

having achieved the higher score of 95.20%, PricewaterhouseCoopers LLP be appointed for the provision of Internal Audit support services on a call-off basis for the period 1 January 2018 to 31 December 2019, with an option by the Council to extend for a further 12 months, in 3 month increments, at the quoted rates.

ACTION BY: Sharon Logue, Procurement Manager/Paul Caulcutt, Internal Auditor

PROPOSAL TO PROCEED OUT OF 'IN CONFIDENCE'

Proposed by Councillor Maguire
Seconded by Mrs Nesbitt and agreed that

any remaining Committee business be taken in Open Session.

The Chairperson advised that the audio-recording would re-commence at this point.

4. ANY OTHER RELEVANT BUSINESS

- (1) *Councillor Rea proposed that a report providing cost in relation to evening Council and Committee meetings, compared to daytime meetings, be provided.*

The proposal was not seconded.

- (2) *In response to a query from Councillor Rea, the Chief Executive outlined the current position in relation to the review of Terms and Conditions of Employment.*

There being no further business the meeting ended at 7.55 pm.

MAYOR

Council Minutes have been redacted in accordance with the Freedom of Information Act 2000, the Data Protection Act 1998 and legal advice.