



**MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE AUDIT AND RISK COMMITTEE  
HELD IN ANTRIM CIVIC CENTRE ON TUESDAY 21 MARCH 2023 AT 6.30 PM**

- In the Chair** : Councillor A Bennington
- Committee Members Present (In person)** : Councillor B Webb
- Committee Members Present (Remote)** : Councillors – B Mallon, J Montgomery and R Wilson
- Independent Member (Remote)** : Mrs G Nesbitt
- Non Committee Members (Remote)** : Councillor M Brady
- Officers Present** : Director of Finance & Governance – S Cole  
Director of Corporate Strategy – H Hall  
Deputy Director of Finance – J Balmer  
Head of Internal Audit – P Caulcutt  
Audit & Risk Officer – D Brown  
ICT Helpdesk Support Officer – J Wilson  
Member Services Manager – AM Duffy  
Member Services Officer – C McIntyre
- In Attendance (Remote)** : P O'Sullivan – Audit Manager, NIAO  
J McCallion – Engagement Senior Manager, 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 Jason McCallion from ASM Accountants and Peter O'Sullivan from the NI Audit Office.

### **1. APOLOGIES**

None.

### **2. DECLARATIONS OF INTEREST**

None.

### **3. INTRODUCTION OF NEW STAFF**

None.

### **4. ITEMS FOR DECISION**

#### **4.1 FI/AUD/02 REVIEW OF THE EFFECTIVENESS OF THE AUDIT AND RISK COMMITTEE 2022-23**

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".

The guidance also provided a 'Self-Assessment of Good Practice' checklist and 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.

In February 2023, Members of the Audit and Risk Committee had undertaken a review of the Committee's performance throughout the year and had agreed the 'Self-Assessment of Good Practice' checklist and the 'Evaluating the Effectiveness of the Audit Committee' checklist.

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

These results, along with an Annual Report outlining the Audit and Risk Committee's activities during the year, would be reported to the June 2023 Council meeting as part of the year-end reporting process.

Proposed by Councillor Webb

Seconded by Councillor Wilson and agreed that

**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.**

*ACTION BY: Paul Caulcutt, Head of Internal Audit*

#### **4.2 FI/AUD/01 INTERNAL AUDIT STRATEGY 2023-2027 AND AUDIT PLAN 2023-24**

The Head of Internal Audit is 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 is not possible to provide audit coverage of all aspects of the Council's activities within a given year. The Internal Audit Strategy (circulated) had set out the audit coverage over a four year period, based on the assessment of risk, with 2023-24 being the first year of Council's 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 is delivered and assessed through the Quality Assurance and Improvement Programme.

In preparation of the 2023-24 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 2023-24 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 2023-24 (circulated) had been consulted on and approved by the Corporate Leadership Team.

Officers agreed to further consider a number of issues raised by Members and respond to them in due course.

Proposed by Councillor Montgomery  
Seconded by Councillor Webb and agreed that

**the Internal Audit Strategy 2023-2027 and Audit Plan for 2023-24 be approved.**

*ACTION BY: Paul Caulcutt, Head of Internal Audit*

### **5. ITEMS FOR NOTING**

#### **5.1 FI/FIN/SOA/09 NIAO: AUDIT STRATEGY 2022-23**

The External Audit Strategy for the audit of the 2022-23 Statement of Accounts (circulated) provided a clear understanding of how the NIAO planned to

carry out the audit of the 2022-23 financial statements and the key risks identified in their planning work.

Mr McCallion from ASM Accountants summarised the Audit Strategy following which a Member's query was addressed.

Proposed by Councillor Montgomery  
Seconded by Councillor Webb and agreed that

**the report be noted.**

*NO ACTION*

## **5.2 PT/CI/038 RECOVERY PLAN 2022-23 – QUARTER 3 PERFORMANCE PROGRESS REPORT**

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.

The Council's Corporate Recovery and Improvement Plan 2022-23 was approved in June 2022. This set out a range of challenging performance targets, along with four identified improvement objectives and a number of Statutory Performance Targets.

A third quarter progress report was circulated for Members' attention.

In response to a query from the Independent Member, the Chair agreed that Officers provide clarification to Members.

Proposed by Councillor Montgomery  
Seconded by Mrs Nesbitt and agreed that

**the report be noted.**

*ACTION BY: Paul Caulcutt, Head of Internal Audit*

## **5.3 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 had been provided.

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

<b>Item</b>	<b>Action</b>	<b>Progress update</b>	<b>Anticipated Completion Date</b>
<b>December 2022</b>			
<b>3.1 REVIEW OF THE EFFECTIVENESS OF THE AUDIT AND RISK COMMITTEE 2022/23</b>			
(i)	A facilitated self-assessment session on 16 February 2023 be approved.	<b>Complete</b> The facilitated self-assessment workshop was scheduled for 16 February 2023. Through discussion with Members and prior review of the checklists, it was decided that the workshop was not required.	N/A
<b>4.6 RECOVERY PLAN- 2022/23 – PERFORMANCE PROGRESS REPORT QUARTER 2</b>			
(i)	A review would be undertaken in relation to status definition within the Progress Report tables.	<b>Complete</b> Status definitions have been reviewed and updated. The new definitions have been incorporated within the Quarter 3 Progress Update report and will be used going forward.	N/A
(i)	A review of how Council assess customer satisfaction be undertaken.	<b>In Progress</b> A review of how the Council obtains and assesses customer satisfaction is underway.	30 June 2023
<b>4.10 POST PROJECT EVALUATIONS</b>			
(i)	Further details on the contents of Post Project Evaluations be provided.	<b>Complete</b> A report on the Post Project Evaluation process has been included within the Agenda of the March 2023 Audit and Risk Committee.	N/A
(ii)	A schedule of Post Project Evaluations be provided to a future Committee.	<b>In Progress</b> A schedule of projects is being developed and will set out their completion date and post project evaluation due date.	30 June 2023
<b>4.11 CORPORATE RISK REGISTER</b>			
(i)	Officers would consider Members' comments when reviewing corporate risks.	<b>Complete</b> Clarification and guidance was provided to all risk owners on the need to link risks to the Corporate Recovery and Improvement Plan. In addition, risk owners have been advised that where objectives / targets are 'at risk' of being achieved, the risk's scoring should be reflective of this. Further transparency has also been incorporated within the Corporate Risk Register report for the Audit and Risk Committee and the Corporate Leadership Team.	N/A

Proposed by Councillor Wilson  
 Seconded by Councillor Webb and agreed that

**the report be noted.**

*NO ACTION*

#### **5.4 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 13 December 2022 was circulated. The report included the objectives and conclusions reached for each completed engagement, including 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 Webb and agreed that

**the report be noted.**

*NO ACTION*

#### **5.5 FI/AUD/112 NATIONAL FRAUD INITIATIVE 2022**

The Comptroller and Auditor General for Northern Ireland (C&AG) and the Head of the Northern Ireland Audit Office (NIAO) had statutory powers to conduct data matching exercises for the purpose of assisting in the prevention and detection of fraud.

Data matching involved comparing sets of data, such as payroll or benefit records of a body, against other records held by the same or another body to see how far they matched; this allowed potentially fraudulent claims and payments to be identified.

The National Fraud Initiative (NFI) was undertaken every 2 years and administered/facilitated by the Cabinet Office with the matches for NFI 2022 being recently provided to Antrim and Newtownabbey Borough Council.

Organisations involved within NFI were not expected to investigate every match. Instead they were required to complete an initial review of all the matches and decide those matches which warranted further investigation based on local priorities and risk.

Internal Audit had assessed the population of matches and identified the sample for which detailed testing would be undertaken; further detail regarding the approach being adopted was circulated.

The results from this exercise would be reported to a future Audit and Risk Committee.

Proposed by Councillor Montgomery  
Seconded by Councillor Wilson and agreed that

**the report be noted.**

*NO ACTION*

## **5.6 FI/AUD/109 POST PROJECT EVALUATIONS**

Members were reminded that in December 2022, the Audit and Risk Committee requested that further details on the Post Project Evaluation process be brought back to the Committee.

The process had been developed to encompass the whole project lifecycle, from inception to post project evaluation – The Project Evaluation Process.

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

The circulated project evaluation process and appendices had been developed, setting out the processes in place to ensure projects were appropriately managed from start to finish, including the post project evaluation stage.

As previously reported to the Committee, a training and capacity building programme was being developed for officers involved in projects.

This training had now been completed which focused on the preparation of business cases (in accordance with the Better Business Cases NI – 'Five Case Model' guidance), the articulation of project objectives and targets, and the assessment of these objectives/targets through the completion of post project evaluations.

Post project reporting would be completed, with post project evaluation information being reported to the relevant approving Committee as required as well as to the Corporate Leadership Team and the Audit and Risk Committee annually, to provide the necessary assurances that the post project evaluations had been completed.

In response to a query from the Independent Member, Officers agreed to review the wording of a statement in the Business Case Pro Forma.

Proposed by Mrs Nesbitt  
Seconded by Councillor Wilson and agreed that

**the report be noted and that the frequency of related reporting to Committee be increased.**

*ACTION BY: Paul Caulcutt, Head of Internal Audit*

### **5.7 FI/AUD/03 CORPORATE RISK REGISTER**

Members were reminded that details of the Council's Corporate Risk Register were 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.

Proposed by Councillor Webb

Seconded by Councillor Wilson and agreed that

**the report be noted.**

*NO ACTION*

### **5.8 FI/AUD/3 RISK MANAGEMENT STRATEGY**

Members were reminded that in March 2021 the Policy and Governance Committee approved a new Risk Management Strategy which was aligned to the five principles of risk management as set out in the HM Treasury's Guidance on the Management of Risk – Principles and Concepts.

In accordance with the Council's Policy Framework and Schedule, the Strategy had been reviewed and updated.

The amendments made included providing additional clarity on how Risk Management was linked to the Council's Corporate Improvement Plan, and reformatting the Strategy to comply with the requirements of the Policy Framework.

The Risk Management Strategy had been reviewed and approved by the Corporate Leadership Team in February 2023 and the Policy and Governance Committee in March 2023.

A copy of the approved Strategy was circulated with amendments highlighted in red for Members' information.

Proposed by Councillor Wilson

Seconded by Councillor Webb and agreed that

**the report be noted.**

*NO ACTION*



## **PROPOSAL TO PROCEED 'IN CONFIDENCE'**

Proposed by Councillor Wilson  
Seconded by Councillor Webb 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 IN CONFIDENCE**

### **6.1 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 Wilson and agreed

**that the report be noted.**

*NO ACTION*

### **6.2 IN CONFIDENCE FI/AUD/04 RAISING CONCERNS AND INVESTIGATIONS UPDATE**

A report containing an update on concerns raised and investigations since the Audit and Risk Committee last met in December 2022 was circulated.

Proposed by Councillor Montgomery  
Seconded by Councillor Webb and agreed

**that the report be noted.**

*NO ACTION*

## **PROPOSAL TO PROCEED OUT OF 'IN CONFIDENCE'**

Proposed by Councillor Wilson  
Seconded by Councillor Montgomery 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 7.15pm.

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**MAYOR**