



**MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE AUDIT COMMITTEE HELD IN
ANTRIM CIVIC CENTRE ON TUESDAY 15 MARCH 2016 AT 6.30 PM**

- In the Chair** : Councillor T Beatty
- Committee Members Present** : Councillors - M Maguire, N McClelland, T Girvan and D Hollis
- Non Committee Members Present** : None
- Independent Member** : Mrs G Nesbitt
- Officers Present** : Director of Finance & Governance - Mrs C McFarland
Director of Organisation Development - Mrs A McCooke
Internal Auditor - Ms C Archer
Internal Auditor - Mr P Caulcutt
ICT Manager - Mr G Smyth
Senior Mayor & Member Services Officer - Mrs K Smyth
- In attendance** : NIAO Representative - Mr Richard Ross
Grant Thornton Representatives:
- Mr Michael Barnett
- Ms Michelle McGuinness

CHAIRMAN'S REMARKS

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

1. APOLOGIES

Councillor M Rea.

2. DECLARATIONS OF INTEREST

None.

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 as undernoted.

Item Number	Action	Progress update	Anticipated Completion Date
December 2015			
3.2 STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016			
(i)	Officers to expedite publication requirements in line with Regulation 13 of the Local Government (Accounts and Audit) Regulation 2006.	Complete Accounts published on the Council's website.	
(ii)	Officers to ensure completion of 'Disclosures and Related Party Transactions' from Elected Members on a timely basis.	To be completed as part of the year end accounts preparation.	30 June 2016
(iii)	The Annual Audit Letter for Antrim Borough Council included a reference to the expenditure on arc21 of £1,690,884. It should be noted that this represented all of the contracts costs for arc21.	Complete Letter issued to the NIAO on 16 December 2015.	
3.4 INTERNAL AUDIT REPORT			
(ii)	A redacted version of the tabled report entitled "Bonfire Management Programme (former Antrim Borough Council)" complying with Data Protection requirements be submitted to the Northern Ireland Ombudsman for information.	Complete Redacted report issued to the Northern Ireland Ombudsman on 6 January 2016.	
(iii)	Refresher audit training be provided to Audit Committee Members as necessary.	Complete Audit Committee training held on 15 March 2016.	

Item Number	Action	Progress update	Anticipated Completion Date
3.5 INTERNAL AUDIT CHARTER			
(i)	Amendments to the Internal Audit Charter subject to widening to incorporate "Elected Members and Independent Member".	Complete Internal Audit Charter updated to include "Elected Members and Independent Member".	
3.6 ANTI-BRIBERY POLICY			
(i)	Amendment to the Anti-Bribery Policy.	Complete Anti-Bribery Policy updated.	
3.7 NIAO: MANAGING FRAUD RISK IN A CHANGING ENVIRONMENT: A GOOD PRACTICE GUIDE			
(i)	Completion of self-assessment to measure how well the Council is prepared to prevent, detect and respond to fraud.	Self-assessment checklist completed and will be presented to Members in <i>Item 3.3</i> .	
3.8 RISK MANAGEMENT			
(ii)	A report on a protocol for implementation alerting the Audit Committee to emerging risks be presented to the next Audit Committee.	Discussed at the Audit Committee training held on 15 March 2016.	June 2016
3.9 REPORT OF ATTENDANCE ABSENCE			
(b)	An absence update be submitted to the Policy and Governance Committee.	Complete Report submitted to the Policy and Governance Committee on 5 January 2016.	

Proposed by Councillor T Girvan
 Seconded by Councillor McClelland and agreed that

the Audit Committee notes the previous actions update.

ACTION BY: Paul Caulcutt / Colette Archer.

3.2 FI/AUD/1 INTERNAL AUDIT UPDATE REPORT

A report containing a summary of Internal Audit activity for Antrim and Newtownabbey Borough Council, for the period December 2015 to February 2016 was circulated. The report included the objectives and conclusions reached for each completed assignment and management comments as applicable.

Proposed by Councillor Hollis
Seconded by Councillor T Girvan and agreed that

the Audit Committee notes the Internal Audit Update Report.

NOTED: the Internal Auditor to respond to Councillor Maguire with further detail associated with the Priority 1 recommendation on page 6.

ACTION BY: Paul Caulcutt / Collette Archer.

3.3 FI/AUD/4 NIAO: MANAGING FRAUD RISK IN A CHANGING ENVIRONMENT: A GOOD PRACTICE GUIDE

Members were reminded that on 17 November 2015, the Northern Ireland Audit Office (NIAO) issued the Managing Fraud Risk in a Changing Environment: A good practice guide which draws on existing good practice and uses the key principle from it to highlight emerging fraud risks and reinforce the need for increased fraud awareness in a dramatically changing environment.

Members were also reminded that this guide included a self-assessment checklist to enable the Council to measure how well it is prepared to prevent, detect and respond to fraud.

This self-assessment checklist had been completed and the results were enclosed for Members review. This has been used by Antrim and Newtownabbey Council as a barometer of good practice against which we have measured our arrangements for countering fraud.

Proposed by Councillor McClelland
Seconded by Councillor Maguire and agreed that

the Audit Committee notes the results of NIAO Managing Fraud Risk in a Changing Environment Self-Assessment checklist.

ACTION BY: Paul Caulcutt / Collette Archer.

3.4 FI/AUD/4 NIAO: INITIAL NOTIFICATION OF FRAUDS TO THE LOCAL GOVERNMENT AUDITOR

On 16 February 2016, the Council received correspondence from the Northern Ireland Audit Office (NIAO) requesting that from 1 April 2016, the Council report frauds proven or suspected, including attempted frauds, using the 'Initial Notification of Frauds to the Local Government Auditor' form.

The information provided to the Local Government Auditor will be used to determine the impact of fraud on the financial accounts and what lessons can be learned and shared appropriately across sectors.

A copy of the letter received from the NIAO and the 'Initial Notification of Frauds to the Local Government Auditor' form were circulated.

Proposed by Mrs G Nesbitt

Seconded by Councillor McClelland and agreed that

that a quarterly update report on initial notification of Frauds to the Local Government Auditor be appended to the Internal Audit report and presented to the Audit Committee.

Proposed by Councillor T Girvan

Seconded by Mrs G Nesbitt and agreed that

the Audit Committee notes the NIAO request to notify the Local Government Auditor of proven, suspected and attempted frauds.

ACTION BY: Paul Caulcutt / Collette Archer.

3.5 FI/AUD/4 FRAUD RESPONSE PLAN

Members were reminded that in April 2015 they approved the Council's Fraud Response Plan.

Following the request received from the NIAO to notify the Local Government Auditor of proven, suspected and attempted frauds (as reported in Item 3.4 above), an amendment to the Fraud Response Plan is required to reflect this. It is proposed that the following is added to 'Section 2: Reporting the Suspicion of Fraud and/or Corruption' of the Fraud Response Plan:

2.4 Northern Ireland Audit Office

2.4.1 Notification of proven or suspected, including attempted fraud, should be made to the Northern Ireland Audit Office (NIAO).

2.4.2 The NIAO has provided an 'Initial Notification of Frauds to the Local Government Auditor' form to enable this notification (see FRP 4 within the Appendices).

Proposed by Councillor T Girvan
 Seconded by Councillor M Maguire and agreed that

the Audit Committee approves the amendment to the Fraud Response Plan.

ACTION BY: Paul Caulcutt / Collette Archer.

3.6 ST/G/215 REPORT ON ATTENDANCE

BACKGROUND

Members were advised that the table below outlined the sickness absence for Antrim and Newtownabbey Borough Council. The purpose of this report was to provide an **update on absence for the period from 1 October 2015 to 31 December 2015**. For comparison purposes the same period for 2013-2014 and 2014-15 had been included.

ABSENCE UPDATE

There was a decrease in short term absence by 90.13 days and an increase in long term absence of 46.78 days. Both would continue to be managed. Reducing the long term absence remained a priority and this was reflected in the revised Occupational Health specification and newly awarded contract.

At this stage in the year approximately 64% of employees had 100% attendance and those employees with full attendance during the 1 April 2015 – 31 March 2016 period would be recognised.

	2013/2014	2014/2015	2015/2016	
Month	1 Apr to 31 Dec 2013	1 Apr to 31 Dec 2014	1 Apr to 31 Dec 2015	Variance from period last year
No. FTE *	689.67	704.97	700.40	-4.57
No. of days lost to sickness	6310.72	6013.39	5970.05	-43.34
Days lost to Long Term Absence	4620.94	4316.40	4363.18	+46.78
Day lost to Short Term Absence	1689.80	1696.99	1606.86	-90.13
Average Days Lost per Employee	9.15	8.53	8.52	-0.01

** Number of full time equivalent staff employed by the Council based on the total days available for work in the period under review.*

The **top three reasons for absence** for the period to date were noted below with current action being taken to address the reasons.

Reason	Action
Stress, depression, mental health and Fatigue	<ul style="list-style-type: none"> • Staffcare, confidential counselling to all staff. • Cognitive behavioural Therapy (CBT) sessions for staff in appropriate cases. • Immediate letter sent to advise of Staffcare, • Immediate Meeting with employee and line manager alternative person if issue is with the Line Manager in WRS cases. • Referrals to Nurse Led Clinic and/or OH doctor • Regular Welfare Review Meetings to agreed action plans, Use of the Leisure Facilities, • Piloting of the Wellness Recovery Action Plan, helping staff to recognise stress earlier and the interventions that can be put in place to help • Harassment advisors available in all departments and various locations
Other Category E.g: Cancer Related Illness, Surgery and Post Op Debility etc	<ul style="list-style-type: none"> • Well being Action plans for individual cases. • Phased returns variety of reduced hours, alternative work and/or adjusted duties. • Use of leisure facilities to help with returns from surgery in suitable cases. Eg Pool
Musculo-Skeletal problems	<ul style="list-style-type: none"> • Manual Handling Training • Referrals to Nurse Led Clinic and/or OH doctor, • Regular Welfare Review Meetings to agreed action plans, • Access to Physiotherapy subject to OH recommendation. • Wellbeing action plans. • Phased returns variety of reduced hours, alternative work and/or adjusted duties. • Work station/ergonomical assessments • Taster sessions of pilates • Investigation of workplace accidents and implementation of any appropriate recommendations

LONG TERM ABSENCE CASES AT 31 DECEMBER 2015

At December 2015 there were 18 long term absence cases and these were circulated for information.

GENERAL UPDATE

Stress cases relating to the ongoing employee relations issues in the Central Services Depot, Newtownabbey account for 309 absence days for the period under review. In addition to this there were an additional 309.5 days related to other Employment relations issues including Discipline & Grievance.

The HR team continue to manage absence closely and have continued to provide a monthly update to all Heads of Service.

Long term cases were being closely monitored and a number of staff had recently returned from these absences. Referrals to Occupational Health were made as appropriate and formal case reviews were being actioned where all possible steps have been taken and have failed to secure regular and sustained attendance.

Proposed by Councillor McClelland
Seconded by Councillor Hollis and agreed that

- a) **the report be noted;**
- b) **an absence update be submitted to the Policy and Governance Committee.**

NOTED: request from Mrs Nesbitt for section breakdowns to be broader amalgamated to eliminate the risk of identification.

ACTION BY: Joan Cowan, Head of Human Resources.

ANY OTHER RELEVANT BUSINESS

The Director of Finance and Governance responded to an enquiry from Councillor Girvan elaborating on the contract/tender procurement process.

At this point in proceedings the Chairman invited the Northern Ireland Audit Office and Grant Thornton representatives to address Committee. Mr Ross and Mr Barnett clarified their contractual relationship and in response to an enquiry from Councillor Maguire, confirmed that a further sub-contractual arrangement would not be undertaken.

NOTED: the NIAO Audit Plan/Strategy would be presented to the next Audit Committee meeting.

ACTION: Paul Caulcutt / Collette Archer.

The Chairman conveyed appreciation to officers for the Audit Training session conducted prior to the Committee Meeting and acknowledged the benefit, these sentiments also being endorsed by other Members present.

There being no further Committee business the Chairman thanked everyone for their attendance and the meeting concluded at 7.15pm.

MAYOR

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