



**MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE AUDIT COMMITTEE HELD IN  
ANTRIM CIVIC CENTRE ON TUESDAY 15 DECEMBER 2015 AT 6.30 PM**

- In the Chair** : Councillor T Beatty
- Committee  
Members Present** : Councillors - M Maguire, N McClelland, T Girvan, D Hollis  
and M Rea
- Non Committee  
Members Present** : Councillor P Brett
- Independent Member** : Mrs G Nesbitt
- Officers Present** : Chief Executive - Mrs J Dixon  
Director of Finance & Governance - Mrs C McFarland  
Director of Organisation Development - Mrs A McCooke  
Head of Governance - Mrs L Johnston  
Head of Environmental Health - Mr C Todd  
Head of Arts & Culture - Mrs U Fay  
Internal Auditor - Mr P Caulcutt  
Internal Auditor - Ms C Archer  
Legal Advisor - Mr P Casey  
Acting Risk Manager - Mr P Donaldson  
IT Officer - Mr J Higginson  
Senior Mayor & Member Services Officer - Mrs K Smyth
- In attendance** : NIAO Representative - Mr A Knox

**CHAIRMAN'S REMARKS**

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

## 1. APOLOGIES

None.

## 2. DECLARATIONS OF INTEREST

None.

### 3.1 FI/AUD2 PREVIOUS ACTIONS

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

At present, there were no outstanding actions.

Proposed by Councillor T Girvan

Seconded by Councillor Maguire and agreed that

**the Committee notes the previous actions update.**

*ACTION BY: Paul Caulcutt.*

Councillor Rea joined the meeting during consideration of the undernoted item.

### 3.2 STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

Members were reminded that in June 2015 the Audit Committee approved the following Statements of Accounts.

- FI/FIN/5 - Antrim Borough Council for the year ending 31 March 2015
- FC/D/47 - Newtownabbey Borough Council year ending 31 March 2015
- FC/SC/1 - Antrim and Newtownabbey Shadow Council for the period ending 31 March 2015
- FC/STC/2 - Antrim and Newtownabbey Transition Committee for the period ending 19 June 2014
- FI/FIN/6 - GROW South Antrim Joint Council Committee for the year ending 31 March 2015
- FC/P/6 - CAN PEACE III Joint Committee for the year ending 31 March 2015

The Reports to Those Charged with Governance and the Annual Audit Letters had been received from the Local Government Auditor following completion of the audits by the Northern Ireland Audit Office of the above Accounts (copies of which were circulated).

Mr Alfred Knox spoke to each of the above reports and responded to enquiries from Members elaborating as necessary.

NOTED: Councillor McClelland highlighted she had been Chair of CAN Peace III Joint Committee during the period above.

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

**Committee notes the 'Annual Audit Letters' and the 'Reports to Those Charged with Governance' for each of the above audits of accounts.**

NOTED: that -

1. Officers to expedite publication requirements in line with Regulation 13 of the Local Government (Accounts and Audit) Regulations 2006;
2. Officers to ensure completion of 'Disclosures and Related Party Transactions' from Elected Members on a timely basis;
3. 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.

*ACTION BY: Paul Caulcutt / Denise Lynn / Member Services.*

### **3.3 MATERIAL AMENDMENTS**

Under Regulation 12 (3) of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006, a material amendment to the Statement of Accounts, required as a result of the Local Government Auditor's report, must be reported to the Committee which approved the Statement of Accounts.

A copy of the material amendment for the following Statements of Accounts was circulated:

- FC/SC/1 - Antrim and Newtownabbey Shadow Council for the period ending 31 March 2015.
- FC/STC/2 - Antrim and Newtownabbey Transition Committee for the period ending 19 June 2014.

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

**Committee notes the Material Amendments for each of the above Statements of Account.**

*ACTION BY: Paul Caulcutt.*

Items 3.8 and 3.9 were considered at this point.

### 3.8 FI/AUD/3 RISK MANAGEMENT

Members were reminded that in September 2015, a presentation was given to provide an update on the development of the new risk registers and that Members had requested that a Risk Management update be provided to them at each Committee.

Mr Perry Donaldson (Acting Risk Manager) was present and provided a verbal update on progress to date.

The independent Audit Committee Member expressed some concern regarding the volume of detail presented and, referring to strategic overview, suggested that a proposed form of wording to be presented to the next Audit Committee Meeting regarding the development of a protocol for implementation as to how and when the Audit Committee would be alerted to any risks emerging.

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

- (1) **Committee notes the Risk Management Update;**
- (2) **A report on a protocol for implementation alerting the Audit Committee to emerging risks be presented to the next Committee Meeting.**

*ACTION BY: Paul Caulcutt / Perry Donaldson / Liz Johnston.*

### 3.9 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 April 2015 to 30 September 2015**. For comparison purposes the same period for 2013-2014 and 2014-15 had been included.

#### **ABSENCE UPDATE**

There was an increase in short term absence by 63.36 days and a decrease in long term absence of 320.80 days and both would continue to be managed. The reduction in long term absence remained a priority and this would be reflected in the revised Occupational Health specification and contract.

Members were reminded that for the year ended 31 March 2015 almost 50% of employees had 100% attendance. At this stage in the year approximately 74% of employees had 100% attendance and whilst this was likely to decrease within the current reporting year, we would continue to recognise those employees with full attendance during the 1 April 2015 – 31 March 2016 period.

	2013/2014	2014/2015	2015/2016	
<b>Month</b>	1 Apr to 30 Sep 2013	1 Apr to 30 Sep 2014	1 Apr to 30 Sep 2015	Variance from period last year

<b>No. FTE</b>	695.16	706.07	710.46	+5.08
<b>No. of days lost to sickness</b>	4078.18	3576.29	3318.86	-257.43
<b>Days lost to Long Term Absence</b>	3008.24	2656.62	2335.82	-320.80
<b>Day lost to Short Term Absence</b>	1069.96	919.68	983.04	+63.36
<b>Average Days Lost per Employee</b>	5.87	5.07	4.67	-0.40

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

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

## **GENERAL UPDATE**

The HR team continued to manage absence closely and had introduced an additional monthly update to all Heads of Service showing sickness to date and importantly how this compared to the targeted reduction in absence to date.

Long term cases were being closely monitored and referrals to Occupational Health were made as appropriate. Formal case reviews would be held were all possible steps had been taken and had failed to secure regular and sustained attendance.

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

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

*ACTION BY: Member Services.*

### **3.4 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 September 2015 to November 2015 was circulated.

The report included the objectives and conclusions reached for each completed assignment and management comments as applicable.

Colette Archer spoke to the Internal Audit report and responded to enquiries from Members elaborating as necessary.

An additional Internal Audit report entitled "Bonfire Management Programme (former Antrim Borough Council)" was tabled. For the record the Chief Executive confirmed the Internal Audit review had been requested because the weakness identified in the Report to Those Charged with Governance for Antrim Borough Council.

Colette Archer spoke to the tabled report and responded to enquiries from Members elaborating as necessary.

There was a brief interlude were the Committee discussed some sensitivities In Confidence.

Proposed by Councillor Beatty  
Seconded by Councillor McClelland and

On a vote of four in favour, one against and one abstention it was agreed that

- (1) the Committee notes the Internal Audit Update Report;
- (2) 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.

*NOTED: refresher audit training be provided to Audit Committee Members as necessary.*

*ACTION BY: Colette Archer / Paul Caulcutt.*

Councillor Brett withdrew from the meeting during consideration of the next item.

### **3.5 FI/AUD/1 INTERNAL AUDIT CHARTER**

Members were reminded that in April 2015 they approved the Internal Audit Charter. Members were also reminded that in June 2015, an external validation of the review of the effectiveness of Internal Audit was completed. A number of recommendations were made by the external assessor and these actions had been completed. As such, the Internal Audit Charter had been amended to reflect recommendations.

These recommendations and amendments were:

#### **(i) FRAUD AND IRREGULARITY**

It was highlighted that the Internal Audit Charter cross referred to the Anti-Fraud & Corruption Policy, but was more aligned to the Fraud Response Plan. It was recommended that the Internal Audit Charter be amended to cross reference to the Fraud Response Plan. This has been completed and the relevant paragraph was as follows:

***"The roles and responsibilities of all staff and counter fraud functions within the Council are clearly detailed in the Fraud Response Plan."***

#### **(ii) INTERNAL AUDIT RESOURCES**

It was highlighted that the Internal Audit Resources section did not contain arrangements for instances where additional resources were identified as being required. The following paragraph had been included within the Internal Audit Charter to detail these arrangements:

***"If additional Internal Audit resources are required, the Council has the opportunity to procure services from a third party contractor, with the approval of the Audit Committee."***

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

**Committee approves the above amendments to the Internal Audit Charter subject to widening (i) to incorporate "Elected Members and Independent Member".**

*ACTION BY: Paul Caulcutt.*

### **3.6 FI/AUD/4 ANTI-BRIBERY POLICY**

Members were reminded that in April 2015 they approved the Anti-Bribery Policy.

This policy was drafted prior to the completion and approval of the Employee Code of Conduct and the Financial Regulations.

To align the Anti-Bribery Policy (specifically in relation to Gifts and Hospitality) with the Employee Code of Conduct and the Financial Regulations, the Gifts and Hospitality section within the Anti-Bribery Policy has been updated as follows:

***"The Council's policy regarding the requirements for gifts and hospitality is set out within the Employee Code of Conduct and the Council's Financial Regulations. It is important to note that there may be a perceived conflict of interest in accepting gifts or hospitality which can constitute bribery in some instances."***

Proposed by Councillor T Girvan

Seconded by Councillor McClelland and agreed that

**Committee approves the amendment to the Anti-Bribery Policy.**

*ACTION BY: Paul Caulcutt.*

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

On 17 November 2015, the Northern Ireland Audit Office (NIAO) issued the Managing Fraud Risk in a Changing Environment: A good practice guide. A copy of the guide was circulated for Members information.

As the Northern Ireland public sector is currently in the middle of a period of unprecedented change, a number of key fraud risks may emerge, for example:

- Roles and responsibilities may be unclear or inadequately defined;
- Governance arrangements may not operate effectively;
- Staff reductions may lead to weakened control systems due to inadequate segregation of duties;
- Staff losses on a significant scale may mean that key skills are lost; and



- Supervisory checks may be overlooked.

The Guide 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.

The Guide also includes a detailed self-assessment checklist (circulated). This checklist would be completed to measure how well the Council was prepared to prevent, detect and respond to fraud. The results of this self-assessment would be reported to the next Audit Committee meeting in March 2016.

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

**Committee notes the NIAO Managing Fraud Risk in a Changing Environment:  
A good practice guide.**

*ACTION BY: Paul Caulcutt.*

There being no further Committee business the Chairman thanked everyone for their attendance and conveyed seasonable compliments to Members and staff, wishing everyone a Merry Christmas and Happy New Year.

The meeting concluded at 8.45 pm.

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**MAYOR**