Audit and Risk Panel

Friday, 11th September, 2026

MEETING OF AUDIT AND RISK PANEL

Members present: Councillor R. McLaughlin (Chairperson);
Alderman Rodgers;
Councillors Groogan; and
Mr. D. Wilson (External Member).

In attendance: Ms. S. McNicholl, Deputy Chief Executive/Strategic Director of Corporate Services;
Ms. N. Largey, City Solicitor/Director of Legal and Civic Services;
Mr. T. Wallace, Director of Finance;
Mr. D. Sales, Strategic Director of City and Neighbourhood Services;
Ms. H. Lyons, Corporate Finance Manager;
Ms. C. O'Prey, Head of Audit, Governance and Risk Services;
Mr. M. Whitmore, Audit, Governance and Risk Services Manager;
Ms. E. Eaton, Corporate Health and Safety Manager
Mr. K. Heaney, Head of Inclusive Growth and Anti-poverty;
Ms. K. Fennell-Jenkins, Corporate HR Manager; and
Ms. C. Donnelly, Committee Services Officer.

Also attended: Mr. C. McGeown, Northern Ireland Audit Office;

Pre-Meeting

In line with best practice including the Global Internal Audit Standards in the UK Public Sector the Audit and Risk Panel met privately with the Head of Audit, Governance and Risk Services prior to the meeting commencing, to enable the Panel Members to raise any concerns around the work of internal audit or the Council's risk, control and governance arrangements and to make appropriate enquiries of the Head of AGRS to determine whether there were any restrictions on their scope, access, authority or resources and if there were, whether those restrictions limit the functions ability to carry out its responsibilities effectively.

Apologies

An apology for inability to attend was reported for Councillor Verner.

Minutes

The minutes of the meeting of 9th June, 2026, were approved by the Panel.

Declarations of Interest

No declarations of interest were reported.

Audit and Risk Panel Terms of Reference

The Panel noted the Statement of Purpose and Terms of Reference.

Absence Performance – Quarter One – 2026/27

The Corporate HR Manager provided the Panel with a summary of the sickness absence data for the quarter ending in June, 2027 and highlighted the following key performance indicators:

- Average sickness absence reduced from 3.81 days to 3.32 days;
- 75.74% of employees recorded no recorded absence during the quarter, an improvement from 74.70% during the same period last year;
- Long-term absence (20+ days) reduced significantly by 813.81 days, from 5977.32 days to 5163.51 days;
- The Council achieved the Q1 target of 3.65 days per FTE, recording a performance of 3.32 days; and
- Depression/anxiety/stress (34.65% of total days lost) and Musculo-skeletal (23.71% of total days lost) continue to be the top two reasons for absence

She stated that the figures demonstrated a positive overall trend in attendance performance, driven largely by reductions in long-term sickness absence.

She informed the Panel that following implementation of the ResourceLink absence management system on 1st April, 2026, the transition period had required extensive testing and validation of reporting functionality and, as a result, monthly spot check meetings had not been undertaken during April and May, 2026 but and that reporting functionality was approved in mid-June, allowing monthly review meetings to recommence.

She explained that the Quarter 1 performance represented a positive start to 2026/27, with the Council achieving its absence target and recording reductions in both overall and long-term sickness absence, however, a relatively small number of long-term absence cases continued to have a disproportionate impact on departmental performance and continued management focus, timely intervention, robust application of the Attendance Policy and effective departmental oversight would be critical in sustaining improvement throughout the remainder of the financial year.

The Panel noted the report and commended the target being achieved for quarter one and the completion of departmental absence improvement plans.

Corporate Health and Safety Performance Report

The Corporate Health and Safety Manager provided the Panel with an update on the corporate health and safety performance and activities for the quarter ending 30th June, 2026.

She updated the Panel on progress against key performance indicators, agreed health and safety and fire safety recommendations implemented, employee and non-employee accidents and health and safety statutory agency enquiries and correspondence, she summarised the following health and safety data:

- Percentage compliance rates by department; and
- Employee and non-employee accidents.

She reported that there had been eight enquiries from the Health and Safety Executive Northern Ireland (HSENI) and one from the Northern Ireland Fire and Rescue Services (NIFRS) during quarter one 2026/27 and she summarised the content of the correspondence.

She outlined the outstanding health and safety and fire safety actions and confirmed all outstanding high priority actions had been completed since the end of quarter.

The Panel noted the report.

AGRS Progress Report

The Audit, Governance and Risk Manager provided an overview of the Service's activity for the period from June to August, 2026 and reported that the following three assurance assignments had been finalised and provided the Panel with a summary of each:

- Payroll – Data Analytics;
- Labour Market Partnership; and
- Local Economic Partnership.

He explained that 29% of the planned activity within the delivery of the 2026/27 audit plan was either underway or completed and that the unit was continuing to provide advice and consultancy services to management and summarised work which had been undertaken by AGRS from June to August, 2026.

He provided the Panel with an update on the National Fraud Initiative and outlined that the Council's approach would be the same as in previous years. In relation to Fraud and Raising Concerns, he explained that initial enquiries into two concerns had been completed and outlined further concerns which were being addressed. Further updates would be provided to the Panel as appropriate.

He advised that it was intended that the external Member recruitment would take place in late September, with shortlisting to take place in mid-October and Panel interviews scheduled for early November. He stated that the successful candidate would attend the next meeting of the Panel, scheduled to take place in December.

The Panel noted the report.

Corporate Risk Management

The Head of Audit, Governance and Risk Services submitted for the Panel's consideration the Corporate Risk Dashboard which summarised the key updates from the risk review for the quarter-ending June, 2026.

She advised that, Audit, Government and Risk Services (AGRS) had met with risk owners to support them in their quarterly review of the corporate risks and inform the Corporate Risk Management Dashboard.

She provided an update on a number of corporate risks and outlined the actions undertaken to manage them. She explained that the corporate risk on asset management did not have a mitigation plan in place and that the Director of Property and Projects was the risk owner and responsible for ensuring that a risk action plan would be prepared.

The Head of Audit, Governance and Risk Services reported that horizon scanning had been built into the quarterly risk management review process and that no new matters had been identified in the quarter, she added that directors had agreed the formal arrangements for the management of risk at departmental level and were required to sign off on the adequacy and effectiveness of those arrangements in their respective Quarterly Assurance Statements and she provided a summary of the assurance being provided by each director.

The Panel was also provided with an update on business continuity management arrangements and advised that AGRS had completed the review and update of the Business Continuity Management Policy, subject to discussion and agreement with Commercial and Procurement Services with regard to the addition of purchasing and procurement to the list of critical services.

The Panel:

- Noted the corporate risk management dashboard and agreed the updates for QE June 2026;
- Noted the assurances from senior management with regard to compliance with the Risk Strategy, based on the assurance statements for QE June 2026; and
- Noted the update on business continuity management.

Financial Statement of Accounts

The Corporate Finance Manager provided the Panel with an overview of the Council's Statement of Accounts and incorporated Annual Governance Statement for the year ended 31st March, 2026.

She reported that she was awaiting confirmation of the Local Government Auditor's opinion that:

- the financial statements give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26, of the financial position of Belfast City Council as at 31st March, 2026 and its income and expenditure for the year then ended;
- the statement of accounts had been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities directions issued thereunder;
- the part of the Remuneration Report to be audited had been properly prepared in accordance with the Department for Communities directions made under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015; and
- the information given in the Narrative Report for the financial year ended 31st March, 2026 was consistent with the financial statements.

She summarised the following Council Reserves for the Panel:

- General Fund;
- Capital Fund;
- Neighbourhood Regeneration Fund;
- Leisure Mobilisation Fund;
- Capital Receipts Reserve; and
- Other Fund Balances and Reserves.

She explained that the overall level of trade debtors was standing at £3.97m at 31st March, 2026 in comparison to £4.73m at 31st March, 2025. She reported that the average time taken to pay creditor invoices was 15 days and the Council endeavoured to process invoices as quickly as possible and had an improvement plan to support the process.

The Corporate Finance Manager summarised the Annual Governance Statement for the year 2025/26 and highlighted the following key considerations:

- scope of responsibility;
- the purpose of the governance framework;
- the governance framework in place;
- review of effectiveness;
- update on the significant governance issues declared last year; and
- significant governance issues for current year.

She stated that the Annual Governance Statement had been approved by the Chairperson of the Strategic Policy and Resources Committee and the Chief Executive and was subject to review by the Northern Ireland Audit Office as part of its annual audit.

The Panel:

- Noted the Council's Statement of Accounts and incorporated Annual Governance Statement for the year ended 31st March, 2026;
- Recommend that the Strategic Policy and Resource Committee approve the Statement of Accounts and Annual Governance Statement; and
- Noted the legislative requirements under Regulation 8 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the requirement on the Council to publish these accounts no later than 30th September, 2026.

Northern Ireland Audit Office (NIAO) – Report to those charged with Governance

Mr. C. McGeown, Director, Northern Ireland Audit Office attended in relation to this item. He provided the Panel with an overview of the Belfast City Council – Draft Report to those charged with Governance 2025/26.

He explained that it was proposed that the Local Government Auditor would report on the 2025/26 financial statements with an unqualified audit opinion, without modification and that the audit of accounts would be certified, in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.

He highlighted the following key areas of the Draft Report to those charged with Governance for the Panel's Consideration:

- Status of the Audit;
- Audit Scope;
- Group Considerations;
- Significant Risk; and
- Findings from the Audit.

The Panel noted the Draft Report to those charged with Governance 2025/26 and that the misstatements should not be corrected as correction would have no material impact on the audit of the 2025/26 financial statements.

Management Update on Conflicts of Interest, Gifts and Hospitality

The City Solicitor provided the Panel with an update on the progress to address issues which had been highlighted in a recent audit of Conflict of Interests, Gifts and Hospitality Policy.

She explained that the audit had identified a number of issues and that the Governance and Compliance Service had assigned a dedicated officer to oversee implementation of agreed audit actions and to work with Chief Officers and Departments to strengthen compliance across the organisation.

She referred the Panel to each agreed audit action, the timeframe for implementation and next steps.

She advised that further update reports would be brought to the Corporate Management Team and the Audit Assurance Board on a six-monthly basis, in line with the Conflicts of Interest, Gifts and Hospitality departmental reporting timetable.

The Panel noted the report.

CNS Management Update on Audit Actions

The Strategic Director of City and Neighbourhood Services provided the Panel with an overview of the undernoted report:

"1.0 Purpose of Report or Summary of main Issues

The purpose of this report is to provide the Audit and Risk Panel with an update on health and safety activities and progress in implementing audit recommendations across the CNS.

2.0 Recommendations

The Panel is asked to note the report.

3.0 Main report

3.1 Health and Safety

Members of the panel have received an update on H&S actions for the department as part of the corporate health and safety report. Outstanding actions, risk assessments and incidents are reviewed regularly by senior managers in advance of both service and departmental H&S committee meetings, and any areas of concern are also discussed with Directors as part of the quarterly governance meetings with the Strategic Director at C&NS SDMT. The departmental H&S committee, which is also attended by a representative of the corporate H&S team, are also updated on policies, legislation or trends emerging from the corporate H&S committee.

3.2 H&S Outstanding Actions

At the end of June 2026 (Q1) there were 86 actions across the department, with 38 completed, leaving 48 outstanding actions which has since been reduced to 36 actions as per the Corporate H&S report. In relation to

the current outstanding actions, for 10x actions CHSU are awaiting confirmation / evidence from Service, for 8x Actions updates have just received awaiting CHSU review, for 5x Actions staff are awaiting training, for 4x actions the service is awaiting update / works for PMU, for 2x actions service are awaiting final noise reports from CHSU and for 1x action the Service is awaiting a lighting survey to be completed.

For the remaining 6x actions no update was provided on the system, and these have been raised with management to address any issues with updates to be provided as a priority.

Progress with all above outstanding actions will be raised at next service and departmental H&S committees with updates required for review with Directors and C&NS Departmental Management Team on 16th September.

3.3 Audit Actions

At the end of July 2026, CNS had 37 open audit actions, accounting for 19% of the 196 open audit actions across the Council. Of these, 8 actions have been fully implemented, 16 are partially implemented, and 13 remain not implemented. (Details of the actions are provided in Appendix 1).

Of the 29 actions that are still active, approximately 11 are expected to be submitted to AGRS for closure as part of the next verification exercise scheduled for November/December 2026. Progress continues to be made in advancing the implementation of all outstanding CNS audit actions.

AGRS provides regular reports to the Department outlining the status of audit actions and attends Senior Departmental Management Team (SDMT) meetings to discuss progress. Audit actions are also reviewed at Departmental Management Team (DMT) meetings to monitor implementation and facilitate their closure.

4.0 Financial and Resource Implications

There are no financial and resource implications to the proposals within this report.

5.0 Equality or Good Relations Implications / Rural Needs Assessment

There are no known equality or good relations / rural needs assessment associated with this report at this time."

Noted.

Performance Improvement Update

The Head of Inclusive Growth and Anti-Poverty summarised the following report for the Panel:

"1.0 Purpose of Report or Summary of main Issues

1.1 To provide the Audit and Risk Panel (ARP) with an update on:

i. **Performance Improvement Self-Assessment report 2025-2026.**
ii. **Performance Improvement Plan 2026-2027.**
iii. **NIAO Section 95 Audit and Assessment 2026-2027.**

2.0 Recommendations

2.1 The Panel is asked to note:

i. **The Performance Improvement Self-Assessment report 2025-2026 (Appendix 1).**
ii. **The agreed Performance Improvement Plan 2026-2027.**
iii. **That a mid-year progress report will be brought to the ARP on 8 December 2026.**
iv. **That the NIAO Section 95 Audit and Assessment 2026-2027 will take place during October/ November 2026.**

3.0 Main report

Background

3.1 Part 12 of the Local Government (NI) Act requires councils to agree improvement objectives on an annual basis and publish these in the form of a Performance Improvement Plan, to be published by 30 June. The Act also requires that progress is regularly monitored against the improvement objectives and reported in an annual Self-Assessment of performance, to be published by 30 September.

Performance Improvement Self-Assessment 2025-2026

3.2 **The Panel is advised that as per the update provided by officers at the preceding June Panel meeting, the Performance Improvement Self-Assessment report 2025-2026 (Appendix 1) was approved by the Strategic, Policy and Resources (SP&R) Committee on 21 August 2026 and ratified by the full council on 1 September 2026.**

Performance Improvement Plan 2026-2027

3.3 **The Performance Improvement Plan 2026-2027 was approved by the SP&R on 22 May 2026, ratified by the full council on 1 June 2026 and published on the website in compliance with the statutory deadline of 30 June. The Panel will receive quarterly reports (from quarter 2 onwards) on progress against the performance improvement objectives 2026-2027. The first quarterly performance update will be presented to the Panel on the 8 December 2026.**

NIAO Section 95 Audit and Assessment 2026-27

3.4 **Under Section 95 of the Local Government Act, the NIAO are required to conduct an annual audit and assessment of councils' performance management arrangements. The Strategic Performance team will submit the Performance Improvement Audit Questionnaire 2026-2027 to the NIAO by the deadline of 1 October 2026. The timetable according to the NIAO 2025-2026 Audit Strategy is as follows:**

NIAO Planning and Fieldwork	**October/November 2026**
Draft S95 report issued to officers for factual accuracy agreement	**14 November 2026**
Final S95 report issued to the council and DfC	**30 November 2026**

The NIAO/Strategic Performance Team will contact relevant officer(s) to obtain evidence during fieldwork. The outcome of the audit will be reported to the ARP following receipt of the final audit report from the NIAO.

3.5 **Next steps**

i. **This report will be noted through the minutes at the SP&R Committee on 18 September.**
ii. **The Performance Improvement Self-Assessment report 2025-2026 will be published on the council website by the statutory deadline of 30 September.**

iii. The Strategic Performance team will submit the NIAO Performance Improvement Audit Questionnaire 2026-2027 to the NIAO by 1 October 2026.

iv. The Panel will receive a mid-year progress report 2026-2027 on the 8 December 2026.

v. Council officers will liaise with the NIAO during their fieldwork in October or November 2026 and the NIAO Section 95 report will be presented to the Panel when available.

4.0 <u>Financial and Resource Implications</u>

4.1 There are no financial or human resource implications arising directly from this report.

5.0 <u>Equality or Good Relations Implications / Rural Needs Assessment</u>

5.1 There are no equality, good relations or rural needs implications arising directly from this report."

The Panel noted:

- The Performance Improvement Self-Assessment report 2025-2026;
- The agreed Performance Improvement Plan 2026-2027;
- That a mid-year progress report would be brought to the Panel in December, 2026; and
- That the NIAO Section 95 Audit and Assessment 2026-2027 would take place during October/ November 2026.

The Panel thanked Mr Wilson for his contribution to the work of the Audit and Risk Panel over the previous three years.

Chairperson