



Subject:	Audit and Risk Panel 8 December 2017
Date:	15 December 2017
Reporting Officer:	Ronan Cregan, Deputy Chief Executive and Director of Finance and Resources, ext. 6085
Contact Officer:	Andrew Harrison, Head of Audit, Governance and Risk Services (AGRS), ext. 4641

Is this report restricted?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

1.0	Purpose of Report or Summary of main Issues
1.1	The Audit and Risk Panel is constituted as a working group of the Strategic Policy and Resources Committee. The purpose of the Panel is to provide an independent assurance on the adequacy of the Council's risk management framework and associated control environment. The Panel also oversees the Council's financial reporting process.
1.2	The purpose of this report is to provide a summary to Committee of the key issues that have been considered and discussed by the Panel at its December 2017 meeting and to present minutes of the last meeting of the Panel for approval.
2.0	Recommendations
2.1	That the Strategic Policy and Resources Committee <ul style="list-style-type: none">notes the summary of the issues discussed / assurance received at the Panel meeting of 8 December 2017 as set out at Section 3 below and;approves the minutes of the Audit & Risk Panel meeting of 8 December 2017.

3.0	Main report
3.1	NIAO – Completion of audit of 2016/17 financial statements
3.1.1	At its meeting on 8 December 2017 the Panel considered received final copies of the NIAO’s reports to those Charged with Governance and Annual Audit Letter for 2016/17 audit. There were no priority 1 recommendations and the audit resulted in an unqualified (‘clean’) opinion on the Council’s financial statements and related arrangements. A recent NIAO ‘good practice’ report on Bribery and Corruption was also considered by the Panel.
3.2	Management reports – Procurement, Absence and Health and Safety
3.2.1	Regarding Procurement, the Panel was apprised of the risks relating to procurement, the action being taken to address backlogs in tender processing and, moreover, to review the Council’s procurement arrangements going forward.
3.2.2	Regarding absence, the HR Manager reported on performance at the end of quarter 2 and provided a detailed analysis of the figures, in particular in relation to personal and work related stress. The Audit and Risk Panel agreed that it would write to Directors to emphasise the importance they attach to absence management and also to stress the ongoing need to ensure compliance with the process.
3.2.3	Regarding health and safety the Corporate H&S Manager provided an update on activity in quarter 2. This showed a small number of high priority actions from the Corporate H&S team’s reviews still open and the Manager explained these issues were being followed up.
3.3	External review of Audit, Governance and Risk Services
3.3.1	The Council’s internal audit service, AGRS, had been externally audited against professional standards. This is a mandatory process. The review had a positive outcome with assurance provided on the Service’s conformance with standards.
3.4	Risk Management
3.4.1	The Panel received an update on risk management, in particular the management of corporate risks. The report highlighted the risk profile of the Council (which was significant), the action being taken to review and manage the risks. It highlighted the ‘three lines of defence’ model that can be used to aid management and assurance on key risks, comprising management controls, oversight and audit, and the need to develop this model further to address key corporate risks successfully. An independent review of the Council’s risk

	<p>management process had also been completed and the results of this were reported to the Panel. Overall the report noted the progress made to improve the process in recent years, but did identify a number of actions for improvement.</p>
3.5	AGRS Reports
3.5.1	<p>The Head of AGRS reported on the completion of a number of audits including payroll, outdoor leisure, corporate complaints and treasury management. He also reported on consultancy work undertaken by AGRS on city centre investment (Grade 'A' offices) and the Belfast Investment Fund. He advised the Panel of ongoing and planned audit work for the next quarter, including reviews of corporate risk areas, including procurement.</p>
3.5.2	<p>AGRS also reported on the implementation of agreed audit recommendations, with the exercise showing a 25% reduction in open actions, albeit AGRS indicated that there are a number of actions still requiring implementation.</p>
3.6	Audit & Risk Panel / Member Training
3.6.1	<p>Finally, training for Panel members has been arranged had been delivered in October and the Panel agreed the actions arising from the training including an additional Panel meeting in 2018 to allow further time to discuss risk management and, related to this, plans to incorporate risk / governance training into the Member Development programme for 2018/19.</p>
3.7	<p><u>Financial & Resource Implications</u> None.</p>
3.8	<p><u>Equality or Good Relations Implications</u> <u>None</u></p>
4.0	Appendices – Documents Attached
	<p>Appendix 1 - Minutes of Audit & Risk Panel 8 December 2017</p>