



Subject:	Audit & Risk Panel Annual Report and Minutes of meeting of 5 June 2018
Date:	22 June 2018
Reporting Officer:	Ronan Cregan, Deputy Chief Executive & Director of Finance and Resources,
Contact Officer:	Andrew Harrison, Head of Audit, Governance and Risk Services (AGRS)

Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
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 during the 2017/18 financial year, the assurances received and the areas requiring attention and present minutes of the last meeting of the Panel for approval.

2.0	Recommendations
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2.1	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> • Note the summary of the work of the Panel during 2017/18 as set out at Section 3 below and • Approve the minutes of the Audit & Risk Panel of 5 June 2018 (Appendix 1).
3.0	Main report
3.1	<p>Summary of the work of the Audit and Risk Panel in 2017/2018</p> <p>3.2 During 2017/18, the Panel met 5 times (including a training session at Belfast Castle).</p> <p>3.3 The Panel has considered audit plans and issues arising from audit activity, such as the findings, assurance levels and recommendations arising from audit work and the progress being made to implement audit recommendations. It also received regular updates on:</p> <ul style="list-style-type: none"> • the Council's financial position, as set out in its financial statements • reports from the Council's external auditors • risk management • business continuity • fraud, financial irregularity and whistleblowing investigations • governance related matters • financial control • health and safety • performance management • staff attendance. <p>3.4 The key assurances that the Panel has received on are as follows:</p> <ul style="list-style-type: none"> • the Council's financial statements and annual governance statement, as prepared by the Deputy Chief Executive and Director of Finance and Resources and his team; this provided a management assurance on the Council's financial position • the audited accounts and the associated external audit annual letters for 2016/17 (providing an opinion on the accounts) and report to those charged with governance (setting out control issues arising from the annual external audit), as prepared and

presented by the Northern Ireland Audit Office. This provided an external assurance on the Council's financial position for 2016/17. (The accounts for 2017/18 are in the process of being audited)

- NIAO assurance on the Council's performance management arrangements, specifically in reference to the Improvement Duty placed upon the Council by relevant legislation. The NIAO's audit of this area provided an unqualified opinion
- the Head of Audit, Governance and Risk Service's annual assurance statement on the adequacy and effectiveness of the Council's risk management, control and governance arrangements, based on the findings of audit work completed throughout the year.

3.5 Where areas for improvement have been identified, these have been reported and implementation of agreed recommendations is actively monitored and reported back to the Panel. The Panel has, on occasions, raised issues where either audit reports have identified significant issues or progress against recommendations has not been satisfactory, with Directors asked, where necessary, to attend the Panel and provide further explanation. The key areas considered during 2017/18 have included grants, procurement, agency staffing and absence management, where relevant Directors and senior managers have attended Panel meetings and provided information on current arrangements and improvement plans.

3.6 Regarding performance improvement, Part 12 of the Local Government (NI) Act 2014 sets out a general duty of improvement requiring councils to put in place arrangements to secure continuous improvement in the exercise of their functions. Within this, the Council must publish an annual performance assessment of the progress against its annual improvement objectives. We have therefore produced a Corporate Performance Report (**Appendix 2**) ahead of NIAO's September deadline. This document will also be made available on the Council's website in July to comply with our publication requirements.

3.7 The Audit and Risk Panel has also received updates during the year on the Council's risk management arrangements, including reports on the management of the Council's key corporate risks. This process has been supplemented by direct reporting to Committees on their key risks.

Financial & Resource Implications

3.8	None
	<u>Equality or Good Relations Implications</u>
3.9	None
4.0	Appendices – Documents Attached
	Appendix 1 - Minutes of Audit & Risk Panel 5 June 2018 Appendix 2 – Performance Assessment of 2017-18 Improvement Plan