

Audit and Risk Panel

Tuesday, 4th December, 2018

MEETING OF AUDIT AND RISK PANEL

Members present: Councillor Craig (Chairperson);
Alderman Rodgers, Councillors Carson and Hutchinson;
and Mrs S. Hetherington.

In attendance: Mr. R. Cregan, Strategic Director of Finance and Resources;
Mr. J Greer, Director of Economic Development;
Mrs. C. O'Prey, Acting Head of Audit, Governance and Risk
Services (AGRS);
Mr. M. McBride, Head of Finance and Performance;
Mr. T. Wallace, Financial Accounting Manager;
Mr. L. Mulholland, Audit, Governance and Risk
Services Manager;
Mr. M. Whitmore, Audit, Governance and Risk
Services Manager;
Mrs. E. Eaton, Corporate Health and Safety Manager;
Ms. C. Christy, Human Resources Manager;
Mrs. C. Kane, Director, Northern Ireland Audit Office; and
Miss C. Donnelly, Democratic Services Officer.

Apologies

No apologies were reported.

Minutes

The minutes of the meeting of 11th September were taken as read and signed as correct.

Declarations of Interest

No Declarations of Interest were reported.

Schedule of Meetings 2019

The Panel was asked to agree to the schedule of meetings from January to April 2019. A Member proposed to change the proposed date of Tuesday 5th March, 2019 to Monday 4th March, 2019.

The Panel agreed to the proposed date of Monday 4th March, 2019.

Quarterly Absence Rates

(Ms. C. Christy, Human Resources Manager attended in connection with this item)

The Panel considered the following report:

**Audit and Risk Panel,
Tuesday, 4th December, 2018**

“1.0 Purpose of Report or Summary of main Issues

1.1 This report;

- Provides sickness absence data for quarter two, 2018/19, (April 2018 to September 2018);
- Compares performance to targets for quarter two, 2018/19, (April 2018 to September 2018);
- Compares this year’s performance to the same period last year, (April 2017 to September 2017);
- Outlines proposal for managing absence.

2.0 Recommendations

2.1 The Panel is asked to note the contents and proposed actions contained in this report.

3.0 Main report

3.1 Absence rates:

- At the end of quarter two, sickness absence is 6.68 days, an increase of 0.58 days compared to absence for the same period last year (6.10)
- There has been a slight decrease in the number of staff with no recorded absence this period (62.85%) compared 63.02% same time last year.
- There has been an increase in absence classified as long term (20 days +) this year (71.10%) compared to the same time last year (69.24%).

The table below provides an indication of how the council is performing against the agreed corporate target of 10 days. Please note that the table below displays information based on previous departmental structures. The current structures retained with the council’s information system do not yet reflect the new agreed structures. For this reason individual departmental targets were not set for this year.

	Proposed Target for 18/19	Where we should be at end of Sept 18	Actual absence at end of Sept 18	Variance	Actual absence at end of Sept 17	% of workforce	% of absence
BCC	10.00	5.00	6.68	1.68	6.10		
Chief Executive's	7.00	3.50	4.20	0.70	4.11	8.87%	5.57%
Finance and Resources	6.00	3.00	3.85	0.85	3.91	7.89%	4.55%
City and Neighbourhood Services	11.50	5.75	7.84	2.09	7.09	59.70%	70.02%
Development Department	7.00	3.50	5.16	1.66	4.14	4.25%	3.28%
Planning and Place	7.00	3.50	3.80	0.30	n/a	6.73%	3.83%
Property and Projects	10.00	5.00	6.79	1.79	5.98	12.55%	12.75%

Absence rates in the winter months tend to be higher as evidenced in Appendix 1 and 2. The months of November, January and February had the highest absence rates in 2017/18. It is anticipated that the 2018/19 year-end absence figure will be slightly over 15 days per full time equivalent employee if the trend in absence is similar to that of 2017/18 (see appendix 3). It is therefore highly unlikely that the council will meet its target of 10 days at the end of 2018/19.

3.2 The use of discretion:

In quarter two, 588 employees were off due to sickness absence. Discretion was applied to 100 employees (17% of employees) and accounted for 2092.68 days (26.85% of the total absence for quarter two). The range of reasons for discretion were as follows:

- Underlying medical condition and/or disability related (470.5 days)
- Surgery (389 days)
- Industrial injury (421 days)
- Work related issues
- Personal stressors
- Bereavement
- Hospitalisation
- Broken bones
- Pregnancy related
- Employee counselling advice
- Previous good record
- Sprained ankle

No valid reason was recorded in four cases where discretion was applied (a summary of these cases will be provided to the respective department).

The average length of absence where discretion was used was 20.92 days per occurrence.

3.3 Disability Related Absence:

Disability related absence was also analysed.

In summary:

- Approximately 26% of absence (3923.84 days) is recorded as disability related;
- The use of discretion and reasonable adjustments is considered in such cases;

**Audit and Risk Panel,
Tuesday, 4th December, 2018**

- **Employees who reported absence with Depression / Anxiety (21%), Heart Condition (12%), Cancer (10%) and Osteoarthritis (8%) accounted for over half (51%) of all disability related absence days.**

3.4 Update on health and wellbeing actions:

- **The Health & Well Being strategy has been agreed and will be launched in December 2018. The Health and Wellbeing group will implement actions after the launch.**
- **Staff are encouraged to participate in Positive Mental Health & Emotional Wellbeing training. 23 staff attended in 2018/19 to date, 145 staff have attended Stress Awareness for Managers Training in the same period.**
- **Community Services delivered a Staff Wellness programme from August to October 2018 that included mindfulness, yoga, mood matters with 76 participants.**

3.5 Absence Management Training:

- **Around 400 managers have been provided with attendance management training since August and the trainer, Harry McConnell, is attending CMT on 4 December to discuss issues arising from training.**
- **Training for the trade union group will take place in December.”**

During discussion, a Member raised concerns regarding the absence figures and proposed that the Panel should address the Chief Executive and Departmental Directors expressing concern in relation to potentially missing the annual absence targets.

It was agreed that the Strategic Policy and Resources Committee was the most appropriate forum for a Member to raise such concerns with the Chief Executive and the Departmental Directors.

The Human Resources Manager agreed to a Member's suggestion that, at future meetings of the Panel, absence figures would be illustrated in a tabular presentation and that they would represent a three year rolling average rather than a year on year comparison.

Following a proposal from the non-executive member, the HR Manager agreed to develop key performance indicators to measure and evaluate the impact of the attendance management training that has been delivered to managers.

The Panel noted the update report.

**Audit and Risk Panel,
Tuesday, 4th December, 2018**

Update on Corporate Health and Safety Performance Report

(Mrs. E. Eaton, Corporate Health and Safety Manager, attended in connection with this report)

The Panel considered the following report:

“1.0 Purpose of Report or Summary of main Issues

1.1 The Council’s Audit and Risk Panel has responsibility for overseeing the Council’s risk, control and governance arrangements for health and safety. In undertaking this function, the Audit and Risk Panel provides independent scrutiny of the Council’s health and safety performance as reported to them quarterly by the Health and Safety Manager.

1.2 The purpose of this report is to provide the Audit and Risk Panel with an update on corporate health and safety performance and activities for the quarter ending 30 September 2018.

2.0 Recommendations

2.1 The Panel is asked to note the Update on Corporate Health and Safety Performance Report.

3.0 Main report

3.1 Update on progress against key performance indicators

3.1.1 A full report on the progress against health and safety key performance indicators for quarter two is included as Appendix One.

3.2 Compliance with health, safety and fire actions

3.2.1 The cumulative corporate percentage compliance with health and safety actions at the end of quarter two (30 September) was initially 67%, below the corporate target of 80%. After further work by departments, the cumulative corporate percentage compliance with health and safety actions has now increased to 78% (as at the 16 November 2018).

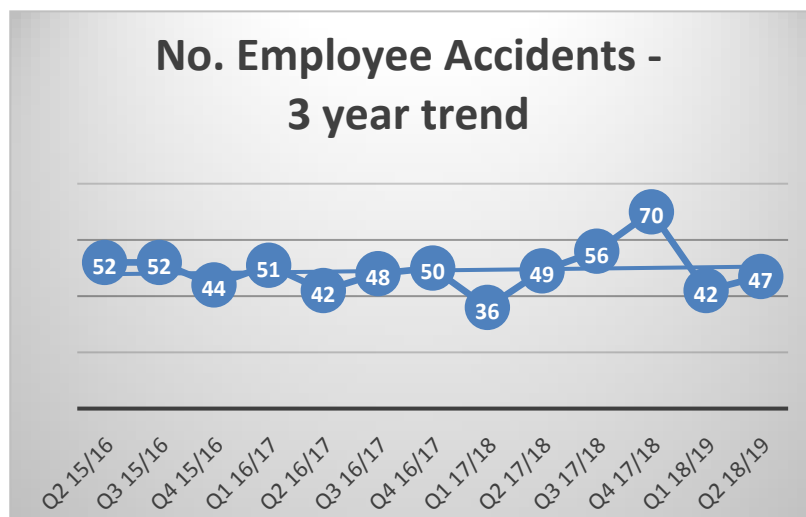
3.2.2 The cumulative corporate percentage compliance with fire safety actions at the end of quarter two (30 September) was initially 77%, just below the corporate target of 80%. After further work by departments, the cumulative corporate percentage compliance with fire safety has now increased to 83% (as at the 16 November 2018).

**Audit and Risk Panel,
Tuesday, 4th December, 2018**

- 3.2.3** The City and Neighbourhoods department have fully implemented 82% of their health, safety and fire actions due during this period (122 out of 149). They have 2 high priority actions outstanding relating to vehicle / pedestrian segregation in the Fleet Workshop and the provision of emergency lighting in rear lobby of Woodvale Bowling Pavilion.
- 3.3.4** The Property and Projects department fully implemented 83% of their health, safety and fire actions due during this period (5 out of 6). They have 1 high priority action outstanding relating to developing and communicating a safe system of work for roof work.
- 3.2.5** The Legal and Civic Services Department fully implemented 86% of their health, safety and fire actions due during this period (13 out of 15). They have no outstanding high priority actions.
- 3.2.6** The Place and Economy Department fully implemented 67% of their health, safety and fire actions due during this period (4 out of 6). They have no high priority outstanding actions.
- 3.2.7** There were no health, safety or fire actions due at the end of quarter two for the Finance and Resources or City and Organisational Strategy departments
- 3.2.8** Further detail on the outstanding health, safety and fire actions is included as Appendix 2.

3.3 Employee and non-employee accidents

- 3.3.1** The number of employee accidents for quarter two was 47, five more than quarter one. There was an increase of seven accidents due to lifting or carrying during the quarter. These were related to a variety of operational activities including bin emptying, recycling centres, burials and parks maintenance.



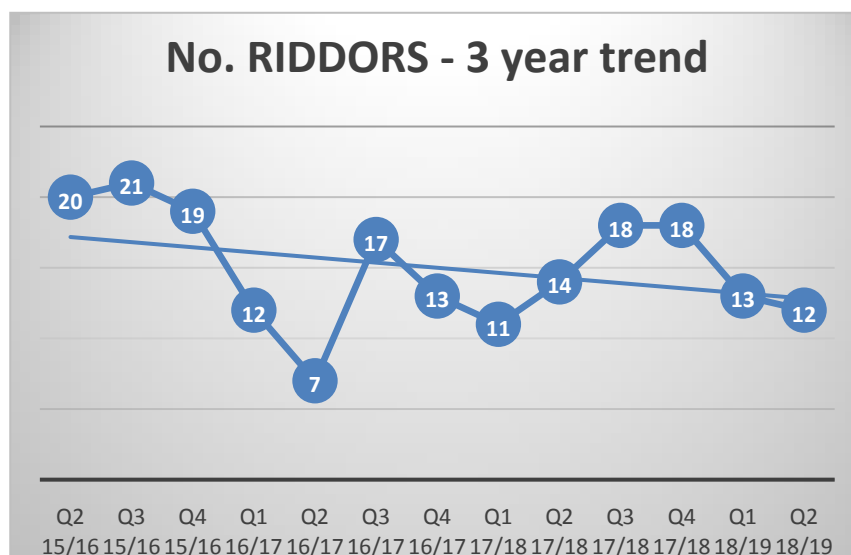
**Audit and Risk Panel,
Tuesday, 4th December, 2018**

3.3.2 The number of non-employee accidents increased by 13 from quarter one to 31. There were seven injuries caused by being stung by wasps and eight additional accidents in the category of slip, trip or falling on the same level.



3.3.3 RIDDOR accidents (Reporting of Injuries, Diseases and Dangerous Occurrences)

There were 12 RIDDOR reportable accidents during quarter two, one less than for quarter one. There were seven injuries caused through lifting and carrying, one incident of an employee sustaining injuring himself when using hedge cutters, three injuries sustained by employees slipping, tripping or falling and one injury sustained by a banksman being struck by a reversing refuse collection vehicle.



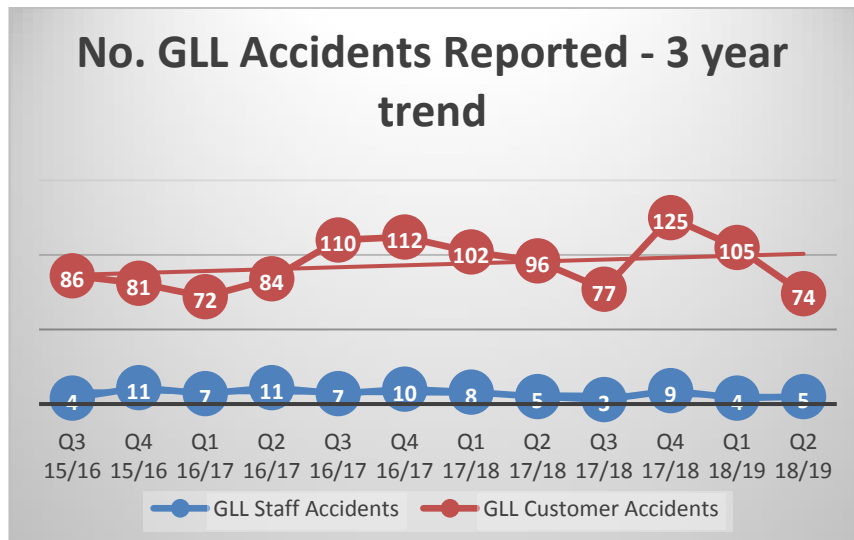
3.3.4 Work related violence (WRV) incidents

There were 37 reported WRV incidents during quarter two, which was twenty three more than the previous quarter. There were 4 physical attacks, 1 property damage and 13 incidents involving threats during quarter two.



3.3.5 GLL Accidents

There were five staff accidents reported during quarter two and 74 customer accidents. This was an increase of one staff accident and a decrease of 31 customer accidents over the previous quarter. There was one RIDDOR (staff) reportable accident. GLL also confirmed that they had one contact with the HSENI during the quarter. HSENI attended a meeting with the Head of Service 18th September at Ballysillan following a complaint from Staff concerning drop in Chlorine levels on 8th/ 9th September due to automated dosing breakdown. A follow up meeting was arranged on 23rd October with HSENI with the matter closed.



3.4 Health and safety statutory agency enquiries and correspondence

3.4.1 The following enquiries / correspondence were received from the Health and Safety Executive Northern Ireland (HSENI) during quarter two:

July - August 2018	HSENI investigation into a complaint of suspected asbestos exposure from an employee in the Duncrue Complex continued. The investigation remains open at this time but no evidence of exposure has been identified and it is not anticipated that there will be any further action.
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3.4.2 The following enquiries / correspondence were received from the Northern Ireland Fire and Rescue Service (NIFRS) during quarter two:

9 September	The CHSU Fire Officer met with an NIFRS Officer to audit the fire safety arrangements in Grove Bowling Pavilion. No further action was required.
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3.5 Progress of key health and safety priorities for 2018/19

A detailed progress update on the key corporate health and safety priorities at the end of quarter two is provided in appendix three.

**Audit and Risk Panel,
Tuesday, 4th December, 2018**

3.6 Financial and Resource Implications

None

3.7 Equality or Good Relations Implications / Rural Needs Assessment

None.”

After discussion, it was agreed that the Corporate Health and Safety Manager would bring further details to the next meeting regarding the outstanding extinguisher action at Barnett Demesne. It was also agreed, following a Member's suggestion, that greater use would be made of tables when presenting information in future Panel reports.

AGRS Progress Report

(Mr. John Greer, Director of Economic Development, attended in connection with this item.)

The Panel considered a report which provided an overview of the specific internal audits which had been carried out for the period between September and November, 2018, by Audit, Governance and Risk Services.

The Audit, Governance and Risk Services Manager highlighted the completed audits of Markets where the audit opinion had been determined as 'Major Improvement Needed'. The Director of Economic Development updated the Members with regard to a recent audit review carried out in respect of the markets and gave an overview of improvement actions agreed with Audit and Governance Risk Services which he had undertaken in response to concerns raised in the audit report. The Panel noted that the implementation of these recommendations would be tracked by AGRS as part of the Recommendations Monitor process.

The Audit, Governance and Risk Services Manager highlighted the completed audits of Recruitment and Selection, Absence Management, Income and Accounts Receivable and Belfast Waterfront and Ulster Halls Ltd, where the audit opinion had been determined as 'Some Improvement Needed'.

The Audit, Governance and Risk Services Manager indicated that delivery of the audit plan was being monitored closely due to resource pressures within the section.

The AGRS Manager also reported that the following important assurance audits were in progress and that many of them would be reported to the Panel at a future meeting:

- Capital Programme (draft report)
- GLL Partnership Management
- Visit Belfast

**Audit and Risk Panel,
Tuesday, 4th December, 2018**

- Insurance (being undertaken by PwC)
- Economic Development
- Planning (including Major Applications)
- Belfast Bikes
- Leisure Estates Programme – Corporate Risk Review
- Health & Safety – Corporate Risk Review
- Managing Performance – BWUH Corporate Risk Review

He also advised that a number of other pieces of work had been completed in the quarter which resulted in reports for management in relation to HR / Payroll new system and processes and the Local Full Fibre Network project.

The Panel noted the contents of the report and agreed to the deferral of the following audit reviews in the Audit, Governance and Risk Plan:

- Community Services;
- Fleet Management;
- Commercial Waste;
- Performance Management;
- Corporate Planning.

Noted.

Audit Recommendations Monitor Review

The Panel considered the following report:

“1.0 Purpose of Report or Summary of main Issues

The Audit and Risk Panel require assurance that agreed audit recommendations are being implemented. The purpose of this report is to provide the Audit and Risk Panel with an update on the current position regarding the implementation of agreed audit actions.

2.0 Recommendations

That the Audit and Risk Panel notes the update on the progress made by management to implement audit recommendations and the areas where further action is required.

3.0 Main report

3.1 Key Issues

Actions (recommendations) agreed as part of AGRS and NIAO work, along with the names of the action owners and

**Audit and Risk Panel,
Tuesday, 4th December, 2018**

implementation dates are recorded on the action tracking module of an IT system known as MKinsight. Council officers have access to this system to provide updates on the progress being made to implement these actions and AGRS undertakes independent monitoring and validation exercises on the progress towards implementation of these actions twice a year.

- 3.2 The Audit and Risk Panel may recall that the previous validation exercise was undertaken and reported to the Panel in June 2018.
- 3.3 The exercise was completed recently and encompassed a review of all high and medium audit recommendations that were open as at 17 September 2018 (with the exception of low priority recommendations which we have excluded from our analysis).
- 3.4 We have now completed our review. At the start of this exercise, there were 251 'live' actions in the MKinsight system. AGRS staff have reviewed and, where appropriate, validated the progress that management has made to implement these actions. As a result of our validation exercise, we can report that 49 of these actions have been closed, therefore there are 202 actions that remain 'live' on the system. Of the 202 actions that remain live, 138 of these have been partially implemented. The table below provides a summary of the results of the validation exercise.

All Actions						
Live actions as at 17/9/2018	Actions closed during validation	Actions outstanding after validation				Actions that are partially implemented
		High	Med	Not prioritised	Total	
251	49	66	113	23	202	138

- 3.5 We further analysed which actions directly related to the management of corporate risks, (see the table below). We found that almost half of all open actions directly related to the management of the corporate risks, with approximately a fifth of these being closed in the period.

Actions relating to Corporate Risks only						
Live actions as at 17/9/2018	Actions closed during validation	Actions outstanding after validation				Actions that are partially implemented
		High	Med	Not prioritised	Total	

**Audit and Risk Panel,
Tuesday, 4th December, 2018**

109	21	29	51	8	88	60
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3.6 Management of Corporate Risks

Audit actions remain open in respect of 14 of the corporate risks. Key points to note are as follows:

- **Procurement and Contract Management – this continues to be the corporate risk with the largest number of actions with 30 live actions at the start of this exercise, of which 5 have now been closed following validation. Most of the remaining outstanding actions have been partially implemented, with some of these having been delayed due to resourcing issues in Procurement. It is anticipated that a number of the outstanding actions will be addressed when the Head of Commercial and Procurement Services takes up their post in February 2019. These include reviewing and updating the Procurement Strategy, other related procurement documentation, key procurement processes, and arrangements for monitoring, compliance and oversight.**

- **Digital Information Security – There are 14 outstanding actions on audits relating to this corporate risk. While these actions remain outstanding at the date of this report, management have reported good progress towards implementation. Responsibility for information security has been added to the Terms of Reference of the Information Governance Board. In addition, a new Security Oversight Board has been established in Digital Services, and this group has begun work to define the information and assurances it will gather and report through the governance chain. An IT Security Strategy is being developed and management have reported that this and a range of other outstanding actions are expected to be implemented by March 2019.**

- **City Centre Regeneration - there were 12 outstanding actions relating to the City Centre Regeneration corporate risk ‘Fail to deliver the City Centre Regeneration Strategy’, of which 2 have been implemented and validated as part of this exercise. We are able to report that progress is being made toward the implementation of the remaining 10 outstanding actions which relate to marketing and**

communications, project prioritisation and a policy for future approaches from developers.

- Externally funded physical projects – 5 of the 12 outstanding actions have been implemented. CMT have agreed a new process for formal handover and monitoring arrangements for all physical projects including those which are externally funded, with Property & Projects taking the lead on this.

At present there are no open audit recommendations in respect of the following corporate risks; Continuous Improvement Programme, Community Plan / Belfast Agenda, Leisure Estates Programme and Corporate Frameworks. This does not imply that there are no issues in respect of these areas or that we are providing an implicit assurance over them. This position reflects that at 20.10.2018.

3.7 General Commentary

The results of this exercise have been reported to Directors and senior managers in each Department who have been given an opportunity to comment on the accuracy of the information. We have not sought to report in detail the progress against each review / action in this cover report. Further details regarding our exercise can be found at Appendix 1. However, there are a number of key points as follows:

- There has been a 20% decrease in the number of outstanding actions during the period;
- Of the 202 actions remaining 'open' at the end of the validation period, 68% (138 actions) have been partially implemented.

3.8 Approximately 34% of the recommendations that remain open relate to Finance and Resources (69 actions), with 23% for City and Neighbourhoods (47 actions) and 19% linked to Property and Projects (39 actions). The appendix to this report provides a detailed analysis, but I would highlight the following:

- There are a number of actions which have been outstanding for a significant period of time. Of the 202 outstanding actions, 27% (55 actions) relate to audits undertaken in 2015 or before. From April 2018, Quarterly Assurance Statements have been expanded

**Audit and Risk Panel,
Tuesday, 4th December, 2018**

for Directors to provide assurance that action is being taken to address outstanding recommendations.

- **S76 Developers Contributions – 7 of the 8 agreed actions remain outstanding in this period, with 5 of these being high priority actions. We have some concerns that the recommendation regarding the monitoring of existing obligations has not yet been implemented, as there may be non-monetary obligations that have fallen due that are not being monitored.**
- **The implementation of a number of outstanding actions is linked to the implementation of the Council's new HR / Payroll system, namely our review in May 2018 of project management arrangements, to-be processes and data migration testing plans and our previous value for money review on Overtime. AGRS continues to review progress with the implementation of these actions through our ongoing work on with the HR/Payroll project team.**
- **There are 10 outstanding actions relating to the external review of Risk Management arrangements. The Risk Strategy has been updated in consultation with stakeholders around the Council. Following approval and implementation of the updated strategy, we anticipate that the remaining actions will be implemented by March 2019.**

Good progress has been made in a number of areas including Belfast Zoo, Peace IV, Economic Development, Police & Community Safety Partnerships.

Financial & Resource Implications

None

Equality or Good Relations Implications/Rural Needs Assessment

None.”

Noted.

Quarterly Corporate Risk Management Report

“1.0 Purpose of Report or Summary of main Issues

1.1 The purpose of this report is to apprise the Audit & Risk Panel regarding:

- a) the Council’s key corporate risks, as identified and assessed by senior management**
- b) the action management has taken in quarter 2 in terms of reviewing these risks and related actions and the key issues pertaining to each of these corporate risks**
- c) business continuity management arrangements**

2.0 Recommendations

2.1 The Audit & Risk Panel is asked to note the report and to note that CMT will review the corporate risks and assessments in light of the updated Risk Management Strategy (see separate paper) and corporate plan at a later date.

3.0 Main report

Key Issues

3.1 Summary of BCC Risk Management Arrangements

3.1.1 Senior management has identified 18 corporate risks (see Appendix 1). These risks are considered by management to present the greatest threat to the achievement of corporate objectives and / or compliance with key statutory requirements. These risks have been assessed by management in terms of the likelihood of them occurring and the impact if they did, using a 5x5 scoring matrix, with 5 being ‘high’ and 1 being ‘low’ (see Appendix 2). They are assessed at current and target levels. The ‘gap’ between the current and target risk assessments reflects action that management considers it needs to take before it can be satisfied that the risk is managed to the appropriate level.

3.1.2 Audit, Governance and Risk Services (AGRS) monitors compliance with this process and audits the management of key corporate risks as part of its audit plan. The Audit & Risk Panel has an important role in seeking assurances regarding both the process and the management of key risks.

3.2 Risk Reporting for the quarter-end September 2018

**Audit and Risk Panel,
Tuesday, 4th December, 2018**

3.2.1 Appendix 1 to this report shows the Council's corporate risks and the management assessment of these risks. It also provides:

- details of the controls, oversight and audit / review arrangements in relation to each risk – the three lines of defence, where these specifically relate to the risk
- the key issues that need to be addressed to manage the various risks
- whether review of the risk / actions took place at the end of quarter 2 ('compliance').

3.2.2 Key points arising from the quarter 2 exercise are as follows:

- No new risks have been proposed by senior management in the quarter although the Commissioner for Resilience has confirmed that she is adopting a risk based approach to the City Centre Recovery project that takes account of risks in relation resources (staff and financial); reputation and; delivery of a major city events programme. In addition the Lead Officer City Regeneration and Development is considering the impact of the Bank Buildings fire on the corporate risk on City Centre Regeneration.
- The risk re Managing Performance at the Belfast Waterfront and Ulster Hall has now reached its target risk rating of moderate, reflecting the embedding of contract management arrangements however it is important to note that there are challenging targets to be met in terms of number of conferences, delegates and economic return.
- Regarding the Local Development Plan risk, there have been some delays to the draft plan strategy due to additional engagement however the timetable has been revised and agreed with Department for Infrastructure and will be kept under review. There is also potentially a greater risk of challenge as the plan is likely to be one of the first to go through the new examination process.
- Regarding the corporate risk on safeguarding, work is underway to recruit a Safeguarding Compliance Officer who will bring forward the policy and related arrangements alongside the Safeguarding Panel.
- Externally funded physical projects risk – In October 2018 CMT agreed the formal handover process and future monitoring requirements for any Council

**Audit and Risk Panel,
Tuesday, 4th December, 2018**

physical project which has received external funding. The Director of Property and Projects is to meet with the relevant Directors to formally hand over projects. An update on compliance with letter of offer conditions will be included in the Physical Programme dashboard, with quarterly updates to be brought to Corporate Management Team (CMT) and an overview of this is reported into Strategic Policy & Resources Committee.

- **Asset management strategy – the Director of Property and Projects has indicated that there is a need to determine the work and resource required to develop a corporate approach to asset management and maintenance and that this has not been taken forward due to resource issues in the department.**
- **Procurement and contract management risk – the Head of Commercial and Procurement Services, will lead improvements in this area, has been appointed and is to take up post in February 2019.**
- **Information Governance, mandatory training for GDPR has been delivered to 1,375 office-based staff and video training broadcast to remaining staff during November 2018.**
- **Physical investment programme – the Director of Property and Projects continues to highlight a concern re affordability of demand and managing expectations.**
- **Re the Leisure Transformation Programme, there is a new risk action to secure external funding for Templemore and Girdwood Phase 2 to ensure programme stays within overall affordability limits**
- **The Financial Position of the Council, the impact of the Bank Buildings fire has been taken into account in the ongoing process of working with Land and Property Services to forecast rates income, and will be outlined in the half year committee report.**
- **Re the Continuous Improvement corporate risk, the Continuous Improvement Manager is now in post and work is underway to agree priorities.**
- **Community Plan / Belfast Agenda – the Portfolio Manager is now in post and new governance arrangements have been agreed by the Community Planning Partnership including the phased**

**Audit and Risk Panel,
Tuesday, 4th December, 2018**

establishment of Programme Boards for Belfast Agenda priority areas. Internal council governance arrangements agreed including assigned SROs to Belfast Agenda Boards, scheduling of special CMT and Strategic Policy and Resource Committee meetings to discuss Belfast Agenda.

- **The risk profile presented is significant and presents considerable challenges. The key issues pertaining to each risk have been highlighted in the table at Appendix 1.**
- **AGRS audit work planned for 2018/19 has included considerable focus on management of these risks, as indicated in the table at Appendix 1. We have and will be presenting audit opinions / assessment of the management of these risks to the Assurance Board / Panel, in particular focusing on the strength of oversight arrangements (the so called, 'second' line of defence').**

3.3 Compliance with process

3.3.1 The table below summarises compliance with the risk review process for the quarter-end September 2018. While the quarterly review process is an agreed part of Council governance arrangements some issues of non-compliance have been noted, these are detailed in the following table.

Chief Officer	Assurance regarding compliance with the risk management process
Deputy Chief Executive and Director of Finance and Resources	Full compliance for the corporate risks, with the exception of the corporate risk on corporate frameworks.
Director of City and Neighbourhood Services	Full compliance for the corporate risks and all departmental risks. There are plans to review and update the risks in relation to the Fleet Management Unit, which transferred to the department in April 2018.
Director of Place and Economy	Full compliance.
City Solicitor	Full compliance for the corporate risks. Departmental risks to be reviewed after the departmental plan is developed, taking account of the new services that have transferred over.
Director of Property and Projects	Full compliance for all of the corporate level risks. The Director has also confirmed that risk registers are

**Audit and Risk Panel,
Tuesday, 4th December, 2018**

	in place and up to date for all of the high risk capital projects. Further review of departmental risks expected.
Director of City and Organisational Strategy	Full compliance.

3.4 Updated Risk Strategy

3.4.1 The Risk Strategy has been reviewed and updated by AGRS to take account of best practice and recommendations arising from the external review of the Council's risk management framework, see separate agenda item.

3.5 Briefings from Management on Key Corporate Risks

3.5.1 One of the improvement actions arising from the Audit & Risk Panel training session / workshop on 21 November 2018, related to the Panel requesting regular updates from management on how they are managing key corporate risks, on a rolling basis. There was agreement that the Audit and Risk Panel would seek concise updates from management on 1 – 2 corporate risks per meeting. In order to implement this new process, the Panel is asked to review the corporate risk register at appendix 1 and to indicate which corporate risk(s) they would wish management to brief them on at the March 2019 meeting.

3.6 Business Continuity Management (BCM)

3.6.1 Business Continuity Management is about being able to respond and continue with the delivery of key services in the event of disruption or in an emergency. To this end, the Council has identified a number of critical services and they are required to have BCM plans and test these each year. AGRS checks to see that plans are in place, tested annually and BCM contacts receive training. AGRS does not however, manage or coordinate the implementation of plans either, when activated in one specific service or across a number of services in the event of an emergency.

3.6.2 All services are asked to plan their business continuity exercise by July 2018, with the actual exercise itself to be completed by the end of March 2019. As at 14 November, all 15 critical services had confirmed that they had properly planned their business continuity exercise for the 2018-19 year.

**Audit and Risk Panel,
Tuesday, 4th December, 2018**

Financial & Resource Implications

None

Equality or Good Relations Implications/Rural Needs Assessment

None.”

After discussion, the Panel agreed to note the report and identified the following three corporate risks that management would be requested to brief the Panel on at its next three meetings:

- Belfast Waterfront and Ulster Hall;
- Belfast City Region Deal;
- Local Development Plan.

Updated Risk Strategy

“1.0 Purpose of Report or Summary of main Issues

1.1 The previous Risk Strategy was first developed in 2005 and has become out of date. The Audit and Risk Panel is asked to review and approve the draft updated Risk Strategy for the Council, which will be presented to JNCC for information.

2.0 Recommendations

2.1 Audit and Risk Panel is asked to review and approve the draft updated Risk Strategy for the Council.

3.0 Main report

3.1 Key Issues

3.2 The previous Risk Strategy was first developed in 2005 and last updated in 2010 and has become out of date in terms of job titles, references to best practice documents and local government regulations, out of date council processes such as the value creation map, format of the risk registers and risk action plans.

3.3 An external review of the Council’s Risk Management processes, undertaken in November 2017, recommended that the Risk Strategy is reviewed and updated.

3.4 We have consulted with senior management on the update of the Risk Strategy and have taken account of the feedback received. In essence, the process for risk management in the

**Audit and Risk Panel,
Tuesday, 4th December, 2018**

Council will remain the same, with the key updates to the Strategy relating to:

- **More use of colour, diagrams and visuals to make the strategy more reader friendly**
- **AGRS working with departments to better support and challenge the management of risk**
- **Directors integrating the management of risk into their business processes**
- **Reducing the range of risk ratings from 7 down to 4, equating to the risk map colours of red, amber, yellow and green**
- **Better explain the Council's appetite for taking risks, in particular the need for risk taking to be supported by an appropriate risk management process.**

3.5 The draft updated Risk Strategy is at appendix 1.

3.6 Implementation

3.7 To support roll out of the updated Risk Strategy we will:

- **Communicate the updated strategy to Members and staff**
- **Update current Risk Management guidance manual**
- **Provide training and ongoing support to staff**
- **Allocate an officer within AGRS to work more closely with departments to support and challenge them in their management of risk**
- **Facilitate a risk workshop for Strategic & Operational Directors to review and update the corporate risk register**

3.8 Financial & Resource Implications

None

3.9 Equality or Good Relations Implications/Rural Needs Assessment

None.”

The Panel agreed the draft risk strategy should be recommended to the Strategic Policy and Resources Committee for approval.

**Audit and Risk Panel,
Tuesday, 4th December, 2018**

Audit and Risk Panel

**Audit and Risk Panel Self-Assessment
of Good Practice**

The Acting Head of Audit, Governance and Risk Services advised the Panel that an annual review of the effectiveness of the Panel was required, as per CIPFA good practice. This review was undertaken by AGRS, and considered by the Audit and Risk Panel at the training session on 21st November.

The Panel was informed that the review indicated that arrangements were largely compliant with the CIPFA guidance, with the key issues arising relating to expanding the terms of reference of the Audit and Risk Panel so that there was an explicit reference to the Panels role in:

- considering the assurances available on whether partnership and / or collaboration arrangements are satisfactorily established and are operating effectively;
- reviewing the Councils ethical framework.

The Panel was informed that Audit, Governance and Risk Services would update the terms of reference of the Audit and Risk Panel at its meeting in March, 2019.

The Panel approved the contents of the report.

**Audit and Risk Panel Training –
Summary and Actions Arising**

The Panel was reminded that on 21st November 2018 a training session was delivered to the Panel and the new Independent Member and was facilitated by On Board Training and Consultancy Ltd. The training covered:

- Strategic and Governance context of the Council in a changing environment;
- Core responsibilities of the Audit and Risk Panel;
- The Council's risk management and assurance frameworks and importance of these;
- Role of the Panel with regard to risk management and assurance;
- Updated draft Risk Strategy;
- Briefing from the Head of Digital Services on the Corporate Risk on Cyber Security; and
- Evaluation of the Audit & Risk Panel effectiveness.

Both during the course of the training and in summary, the Panel reviewed the actions agreed following the training previously delivered in 2017 and identified some further areas for improvement or action, as follows:

**Audit and Risk Panel,
Tuesday, 4th December, 2018**

The Panel agreed to continue to dedicate more time to considering key risks and the Council's risk management arrangements. The Panel was to invite senior managers to provide updates on the management of corporate risks, on a rolling basis, to the Audit and Risk Panel (commencing March 2019).

AGRS to develop a template for the management updates on Corporate Risks to ensure that the update was concise and meets the requirements of the Panel. (March 2019)

The quarterly corporate risk report to the Audit and Risk Panel would highlight instances where there has been significant delays in implementing key actions to mitigate the corporate risks (March 2019).

The Panel agreed to the proposed actions arising from the training session held on 21st November, 2018.

Northern Ireland Audit Office - Final Report to Those Charged with Governance

The Strategic Director of Finance and Resources and Deputy Chief Executive updated the Panel on the issues raised in the Local Government Auditor's Report for 2017/18 in relation to the Accounts of Belfast City Council.

The Panel noted the contents of the report.

Northern Ireland Audit Officer Annual Audit Letter

The Strategic Director of Finance and Resources and Deputy Chief Executive updated the Panel on the Annual Audit Letter is issued under Regulation 17 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and confirmed that the Financial Accounts had been given an unqualified audit opinion.

The Panel noted the contents of the report.

Performance Assessment - Mid-Year Update

The Strategic Director of Finance and Resources and Deputy Chief Executive updated the Panel on progress which had been made against activities contributing to the six Improvement Objectives contained within the Corporate Plan 2018-19 to:

- Build the city's position as a magnet for foreign direct investment;
- Make Belfast a great place to do business by supporting entrepreneurs and business starts;
- Design and deliver programmes to address health inequalities in the city;
- Deliver city regeneration and investment projects;

**Audit and Risk Panel,
Tuesday, 4th December, 2018**

- Deliver the integrated tourism strategy to increase the number of leisure and business tourists; and
- Deliver an integrated approach to employment and skills.

After discussion, the Panel agreed to the contents of the report.

AOB

The Strategic Director of Finance and Resources and Deputy Chief Executive advised the Panel that Mr Harrison had taken up a new post and subsequently had resigned from the Council effective from 4 December 2018 and that a recruitment exercise would commence early in 2019. He advised the Panel that we would confirm with Human Resources Recruitment Panel composition and training.

Chairperson