



<b>Subject:</b>	Audit & Risk Report and Minutes of meeting of 4 December 2018
<b>Date:</b>	25 January 2019
<b>Reporting Officer:</b>	Ronan Cregan, Deputy Chief Executive and Director of Finance and Resources
<b>Contact Officer:</b>	Claire O'Prey, Acting Head of Audit, Governance and Risk Services (AGRS)

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

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

<b>1.0</b>	<b>Purpose of Report or Summary of Main Issues</b>
1.1	The purpose of this report is to provide a summary to Committee of the key issues that were considered and discussed by the Panel at its December 2018 meeting and present minutes of the last meeting of the Panel for approval.
<b>2.0</b>	<b>Recommendations</b>
2.1	That the Strategic Policy and Resources Committee: a) approve the updated Risk Strategy at Appendix 1. b) note the key issues arising at the meeting and approves the minutes of the Audit & Risk Panel of 4 December 2018 at Appendix 2.

3.0	<b>Main report</b>
3.1	<p data-bbox="276 311 432 342"><b>Key Issues</b></p> <p data-bbox="276 412 352 443"><u>NIAO</u></p> <p data-bbox="165 510 1445 994">3.1.1 The Panel received the NIAO Annual Audit Letter in relation to their audit of the Council's 2017/18 financial statement, which provided a 'clean', unqualified audit opinion. <b>It is important that Committee notes the satisfactory outcome of the NIAO's audit because it is an important assurance regarding the financial governance of the Council.</b> In line with the regulations, this Annual Audit Letter will be published on the Council's website as soon as reasonably possible. The NIAO also finalised their Report to Those Charged with Governance which raised a small number of recommendations relating to issues arising during their audit. None of these recommendations are priority 1 (that is 'high priority') recommendations and an action plan is in place to implement these recommendations.</p> <p data-bbox="276 1064 552 1095"><u>Audit and Risk Panel</u></p> <p data-bbox="165 1164 1417 1348">3.1.2 A self-assessment exercise against the latest CIPFA best practice, indicated that the arrangements for the Panel are largely compliant with the guidance, with the key action relating to the need to expand the terms of reference of the Audit and Risk Panel during the annual review in March 2019.</p> <p data-bbox="165 1417 1406 1653">3.1.3 Following the annual training / workshop for the Audit &amp; Risk Panel in November 2018, the Panel agreed to dedicate more time to considering key risks and the Council's risk management arrangements. The Panel agreed 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 (see paragraph 3.1.8).</p> <p data-bbox="165 1722 1441 1906">3.1.4 The Deputy Chief Executive and Director of Finance and Resources updated the Panel on Mr Andrew Harrison's career break coming to an end due to him taking up a job offer and indicated that recruitment for the Head of Audit Governance and Risk Services post would take place after the Christmas break.</p>

	<p><u>Updated Risk Strategy</u></p>
3.1.5	<p>The Panel considered the draft updated Risk Strategy for the Council, which was developed in consultation with senior management, noting that in essence the process for risk management remains the same, with the key updates relating to:</p> <ul style="list-style-type: none"> <li>▪ AGRS working with departments to better support and challenge the management of risk</li> <li>▪ Directors integrating the management of risk into their business processes</li> <li>▪ Reducing the range of risk ratings</li> <li>▪ Better explaining the Council's appetite for taking risks, in particular the need for risk taking to be supported by an appropriate risk management process.</li> </ul>
3.1.6	<p>The Panel have recommended that Strategic Policy and Resources Committee approve the strategy at Appendix 1.</p>
	<p><u>Key reports</u></p>
3.1.7	<p>The Panel noted the progress being made against the annual audit plan, with 5 audits finalised in the period September – November 2018, and received an update from the Director of Economic Development regarding the internal audit of the Markets. The Panel agreed to defer a small number of audits as they were subject to review / change. The Panel also noted the update on the progress being made by management to implement audit recommendations and the areas where further action is required.</p>
3.1.8	<p>The Panel noted the corporate risk updates and asked that management provide updates on the following risks to the next 3 meetings of the Panel; Local Development Plan; Managing Performance at the Belfast Waterfront and Ulster Halls and; City Deal.</p>
3.1.9	<p>The Panel also received quarter 2 reports on corporate health and safety, absence management and performance improvement and asked that performance indicators are developed to assess the effectiveness of the absence training for managers.</p>
	<p><u>Financial &amp; Resource Implications</u></p>
3.1.10	<p>None</p>

3.1.11	<u>Equality or Good Relations Implications/Rural Needs Assessment</u> None
<b>4.0</b>	<b>Appendices – Documents Attached</b>
	Appendix 1 – Draft Updated Risk Strategy Appendix 2 - Minutes of Audit & Risk Panel 4 December 2018