



Belfast
City Council

Subject:	Audit & Risk Panel Annual Report for 2018/19
Date:	21 June 2019
Reporting Officer:	Ronan Cregan, Director of Finance and Resources and Deputy Chief Executive, ext. 6085
Contact Officer:	Claire O'Prey, Head of Audit, Governance and Risk Services (AGRS), ext. 4643

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 2018/19 financial year, the assurances received and the areas requiring attention.
2.0	Recommendations
2.1	That the Strategic Policy and Resources Committee notes the summary of the work of the Panel during 2018/19 as set out at Section 3 below.
3.0	Main report
3.1	Summary of the work of the Audit and Risk Panel in 2018/2019
3.1.1	During 2018/19, the Panel met 5 times (including a training session in November 2018).
3.1.2	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: <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

3.1.3	<ul style="list-style-type: none"> • financial control • health and safety • performance management • staff attendance. <p>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 2017/18 (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 2017/18. (The accounts for 2018/19 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.
3.1.4	<p>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, as was the case following the audit of the Markets and Visit Belfast. The key areas considered during 2018/19 included income and accounts receivable, the new HR / payroll system, capital programme, Peace IV, Fire Safety, Belfast Waterfront and Ulster Hall Ltd and several corporate risks reviews.</p>
3.1.5	<p>Regarding performance improvement, Part 12 of the Local Government (NI) Act 2014 sets out a general duty of improvement for 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, which will be published by the statutory deadline of 30th September 2019.</p>
3.1.6	<p>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.</p>