

# Audit and Risk Panel

Tuesday, 10th September, 2019

## MEETING OF AUDIT AND RISK PANEL

Members present: Councillor Hussey (Chairperson);  
Councillors Hutchinson and McKeown; and  
Ms S. Hetherington.

In attendance: Mr. R. Cregan, Strategic Director of Finance and Resources;  
Mr. J. Walsh, City Solicitor;  
Ms. C. O'Prey, Head of Audit, Governance and Risk  
Services (AGRS);  
Mr. T. Wallace, Head of Finance;  
Ms. C. Sheridan, Head of Human Resources;  
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. H. Lyons, Corporate Finance Manager;  
Mrs. C. Kane, Director, Northern Ireland Audit Office;  
Ms. S. Murphy, Northern Ireland Audit Office; and  
Ms. E. McGoldrick, Democratic Services Officer.

### **Election of Chair**

The Audit and Risk Panel noted that it was required to elect a Chairperson for the coming year.

Moved by Councillor Hutchinson,  
Seconded by Councillor McKeown, and

Resolved – that Councillor Hussey be elected to serve as Chairperson to the Audit and Risk Panel from September, 2019 to June, 2020.

### **Apologies**

Apologies were reported on behalf of Councillor O'Hara.

### **Minutes**

The minutes of the meeting of 4th March were taken as read and signed as correct.

### **Declarations of Interest**

No Declarations of Interest were reported.

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**Future Dates of the Audit and Risk Panel**

The Panel agreed to the following meeting dates and times of the Audit and Risk Panel for the period from October, 2019 to March, 2020:

- Monday, 21 October, 2019 (1/2 Day Training - Morning);
- Tuesday, 3rd December, 2019 at 12.30; and
- Tuesday, 10th March, 2020 at 11.30.

The Panel also noted that it would have a pre-meet, fifteen minutes before the meeting commenced.

**Absence Rates Q/E June 2019**

The Panel considered a report providing information on the absence figures for the first quarter of 2019/2020. The Head of Human Resources reported that sickness absence per employee for that period had been 3.08 days, which meant that the Council was under target (3.17 days) by 0.09 days. She advised that the number of absences which had been classified as long term (20 days or more) during the quarter had been 68.7%, which was an increase compared to the same period last year at 67.43%.

She advised that the number of days lost per full time equivalent was less in quarter one (3.08 days) when compared to quarter four 2018/19 (3.47 days) and there had been a slight improvement in compared to the same period last year (3.11 days).

In relation to Disability Related Absence, approximately 30% of absence (1964.96 days) had been recorded as disability related and 51.5% of disability related absence was being managed as long term.

She confirmed that the Council's Attendance Policy permitted the use of discretion and highlighted circumstances when discretion might be applicable. She reported that, in quarter one, of the 550 employees that were off due to sickness absence, discretion had been applied to 76 of these employees and the average length of absence where discretion had been used was 21.8 days per occurrence.

She informed the Panel that a number of health and wellbeing activities and initiatives were in place to assist with managing attendance at work including:

- Positive Mental Health & Emotional Wellbeing training;
- Stress Awareness for Managers; and
- Mindfulness

She also highlighted that further health and wellbeing initiatives and programmes would be developed as part of the People Strategy.

During discussion, the Head of Human Resources explained further the occupational health service referral process and the monitoring of absence rates across departments.

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The Panel noted the information which had been provided.

**Corporate Health and Safety Performance Report**

The Corporate Health and Safety Manager provided the Panel with an update in relation to the Council's Health and Safety performance during the period ending 30th June, 2019. She reviewed the progress which had been achieved in relation to the key performance indicators, where the Council had only fully implemented 29% of the health and safety actions and 60% of the fire actions due at the end of quarter one, which was not satisfactory.

She reported that the number of employee accidents for quarter one was 37, which was seven less than in the last quarter. She reported that the highest number of accidents had been caused by employees being injured through a slip/trip or fall.

The Panel was informed that the number of RIDDOR reportable accidents had increased by 4 from the last quarter, at 14.

The Corporate Health and Safety Manager reported that there had been a decrease in the number of reported Work Related Violence incidents from the last quarter, from 36 to 25 and the majority of which were of verbal abuse, threatening behaviour and 1 incident which involved physical violence.

She advised that there were 29 non-employee accidents during quarter one with 15 accidents due to slip, trip or falls.

Noted.

**Report on Compensation Claim Settlements  
as a Result of Accidents**

The City Solicitor provided an update regarding the compensation claims for 2018/19. He advised that full details on the costs of employer liability, motor insurance and public liability claims for the year 2018/2019 were included in the Appendices along with the figures for the period 2017/2018. He reported that there had been an increase in payments in employer liability claims from £341,321 in 2017/2018 to £406,889 in 2018/2019 which related to an increase in noise induced hearing loss claims. The highest payments were for damages and solicitors fees.

He provided an overview in relation to the Management of claims, and highlighted that the Divisional Solicitor attended the City and Neighbourhoods Departmental Management Team on a six monthly basis to provide an overview on the number of new claims received, the reserves for claims and details of any payments made. Learning points were addressed with the department for communication to the relevant teams. He stated that management of claims were also reviewed by the Council's Health and Safety Assurance Board on a six monthly basis.

He provided an analysis of claims conceded for the relevant period and highlighted that, in respect of employer liability claims, the majority (77%) were settled after

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proceedings were issued. Similarly, in the case of public liability claims, the majority (57%) were also settled after proceedings were issued. In the case of motor insurance claims, however, the majority (89%) were settled prior to proceedings being issued.

During discussion, the City Solicitor provided details of the potential reasons for the increase in legal fees and confirmed that this would be examined further.

Noted.

**Audit and Risk Panel Update on Year-End Reports**

The Head of Audit, Governance and Risk Services provided a summary of the various year-end reports that would usually have been considered at the June 2019 meeting and which related to the year-end accounts, which was a separate agenda item.

She explained that there were various important year-end reports that fed into the council's Financial Statements which included the following reports:

- a) The Head of Audit, Governance and Risk Services (AGRS) Annual Assurance Statement;
- b) Review of the Council's Code of Governance;
- c) Draft Annual Governance Statement for the Council for 2019;
- d) Annual self-assessment against the principles contained in the CIPFA; and
- e) Statement on the Role of the Head of Internal Audit.

She advised that, in the absence of an Audit and Risk Panel in June, and in order to ensure that there was proper consideration of these important year-end papers, the Audit Assurance Board had met on 3rd June to review the reports. In addition, an annual report was submitted to the Strategic Policy and Resources Committee providing a summary of the key issues that had been considered and discussed by the Audit and Risk Panel during the 2018/19 financial year, the assurances received and the areas requiring attention.

She confirmed that the Draft Annual Governance Statement for 2018/19, which incorporated elements of the year-end reports detailed above, was approved by the Chairperson of the Strategic Policy and Resources Committee, the Chief Executive and the Deputy Chief Executive and Director of Finance and Resources, and was incorporated into the unaudited statement of accounts which had been certified by the Chief Financial Officer by 30th June, 2019. She highlighted that this was subject to review by the Local Government Auditor, as part of the NIAO's annual audit.

During discussion, one Member emphasised the importance of the reports and the necessity for Members of the Strategic Policy and Resources Committee to review the documents.

The Panel noted the information which had been provided.

**Northern Ireland Audit Office (NIAO) –  
Financial Statement of Accounts**

The Panel considered the following report which had been prepared by the Financial Accounting Manager and his team:

**“1.0 Purpose of Report or Summary of main Issues**

**1.1 The purpose of this report is to present to the Audit and Risk Panel, the Statement of Accounts of the Council, including the Annual Governance Statement, for the period ending 31 March 2019.**

**1.2 The Statement of Accounts are an important element of the council’s overall corporate governance framework as they provide assurance to Members and ratepayers on the stewardship of the council’s finances and its financial position.**

**1.3 The Statement of Accounts for the year ended 31 March 2019, as attached, have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 based on International Financial Reporting Standards and the Department for the Communities Accounts Direction, Circular LG 12/19 dated 29 March 2019.**

**1.4 I can confirm that the Statement of Accounts for the year ended 31 March 2019 has been prepared in the form directed by the Department for the Communities and in my opinion the Statement of Accounts give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.**

**2.0 Recommendations**

**2.1 The Panel is asked to**

- Recommend that the Strategic Policy and Resources Committee approve the Council’s Statement of Accounts and incorporated Annual Governance Statement for the year ended 31 March 2019.**

**3.0 Main report**

**Key Issues**

**3.1 Audit Opinion**

It is the Local government Auditors' opinion that:

- the financial statements give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2018-19, of the financial position of Belfast City Council as at 31 March 2019 and its income and expenditure for the year then ended; and
- the statement of accounts have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities directions issued thereunder; and
- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Department for Communities directions made under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015; and
- the information given in the Narrative Report for the financial year ended 31 March 2019 is consistent with the financial statements.

**3.2 Reserves**

**General Fund**

The credit balance on the General Fund has increased to £25,796,988 (of which £12,957,466 relates to specified reserves). The movement on the reserves balance is summarised in Table 1 below:

**Table 1: Summary of Reserves Position**

Opening Balance	£24.4m
In year movement in reserves	<u>£ 1.4m</u>
Closing Balance	£25.8m
Specified Reserves at year end	<u>£13.0m</u>
Balance Available	<u>£12.8m</u>

**3.3 Capital Fund      £25,288,151**

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The Capital Fund is made up of the Belfast Investment Fund (£5,559,723). The fund has been created to support key partnership projects to regenerate Belfast and help lever substantial funds from other sources, the Local Investment Fund (£1,425,280) to fund smaller local regeneration projects, the City Centre Investment Fund (£15,154,012) to support the Belfast City Centre Regeneration Investment Plans, the Social Outcomes Fund (£3,149,136) to support City Centre projects which might not generate a direct financial return but would enhance the overall City Centre offer and support and attraction of investment.

**3.4 Leisure Mobilisation Fund    £1,441,702**

This fund is to support the Leisure Transformation Programme and will cover programme level costs including communications, engagement and procurement costs.

**3.5 Capital Receipts Reserve    £5,200,457**

These are capital receipts which have originated primarily from the sale of assets and which have not yet been used to finance capital expenditure.

**3.6 Other Fund Balances and Reserves    £1,063,919**

This relates to the Election Reserve (£674,607) which has been set up to smooth the cost of running council elections, the BWUH Subvention Fund (£322,667) to support national and international organisations in bringing their conferences to Belfast and the BWUH Sinking Fund (£66,645) to support planned maintenance and future capital works at the new exhibition centre.

**3.7 Debt**

The overall level of trade debtors had decreased over the previous 10 years, reducing from £7.5m at 31 March 2009 to £2.5m at 31 March 2019. An analysis of trade debtors, inclusive of VAT, for the last two years is shown below:

	<b>31 March 2019</b>	<b>31 March 2018</b>
Less than three months	£2,131,221	£2,859,979
Three to one year	£128,050	£154,081
More than one year	£285,208	£736,633
<b>Total</b>	<b>£2,544,479</b>	<b>£3,750,693</b>

**3.8 Creditors**

The Department for Communities has set councils a target of paying invoices within 30 days. During the year the council paid 61,520 invoices totalling £163,474,395.

**3.9** The average time taken to pay creditor invoices was 15 days for the year ended 31 March 2019. The Council paid 39,940 invoices within 10 days, 56,029 invoices within 30 days, and 5,491 invoices outside of 30 days. The council endeavours to process invoices as quickly as possible and has an improvement plan to support this process.

**3.10 Annual Governance Statement (AGS)**

The Statement of Accounts include Annual Governance Statement (AGS) for the year 2018/19, which has been prepared in line with the Accounts Directive provided by the Department for Communities, NIAO guidance and is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. Specifically the AGS sets out:

- scope of responsibility of the Council in relation to governance
- the purpose of the governance framework
- the governance framework in place
- review of effectiveness of the governance framework
- significant governance issues to be disclosed.

**3.11** The AGS is approved by the Chair of the Strategic Policy and Resources, the Chief Executive and the Director of Finance and Resources. It is subject to review by the LGA (NIAO) as part of their annual audit.

**3.12 Financial & Resource Implications**

None

**3.13 Equality or Good Relations Implications / Rural Needs Assessment**

None.”



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After discussion, the Panel recommended that the Strategic Policy and Resources Committee approve the Council's Statement of Accounts and incorporated Annual Governance Statement for the year ended 31st March, 2019, a copy of which was available on the Council's website.

**Northern Ireland Audit Office (NIAO) –  
Draft Report to those Charged with Governance**

The Panel was advised that the Local Government Auditor had issued, in draft format, her Report to those Charged with Governance for 2018/2019.

The Director of the Northern Ireland Audit Office provided an overview of the draft report, which summarised the system and control issues arising from the Northern Ireland Audit Office's audit of the Council's Financial Statements for 2018/2019. She indicated that the audit had been largely completed and that it was anticipated that the Local Government Auditor would certify the Council's statements with an "unqualified opinion".

She informed the Panel that the Local Government Auditor had identified five areas of priorities and recommendations had been made.

She advised that 'Priority 2' recommendations needed to be reviewed and responded to by management. She outlined the details of the three areas, which related to:

- Infrastructure Assets – To develop an Asset Management Plan and review whether current depreciation policy remained appropriate;
- Valuation of the Gasworks Site – The Council, in consultation with Land and Property Service, review its approach to calculating fair value of investment property assets; and
- Zero Net Book Value of vehicles still in use – A review of the useful economic life and depreciation policy for vehicles was recommended.

She highlighted the 2 'Priority 3' areas for response were:

- Giant's Park, North Foreshore – recommendations for best practice in relation to the process for retaining supporting documentation; and
- Belfast Waterfront and Ulster Hall Ltd – ensure that the company achieved a break even position at year end.

She highlighted audit judgements and adjustments and pointed out that uncorrected misstatements would increase net expenditure by a further £0.2m and decrease net assets by £0.2m. She explained that the Panel should consider whether the unadjusted misstatements, set out in the identified misstatements section, should be corrected.

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During discussion, the Head of Finance suggested that the aforementioned adjustment would not have a material impact on the accounts and, at this stage, would not be advising changing the accounts. He also highlighted that, in relation to the Auditor's recommendations, management had not had the opportunity to provide comments to address these issues, however, these would be presented to the Audit and Risk Panel at its meeting in December, 2019.

After discussion, the Panel agreed to endorse management's reasons for not adjusting misstatements and noted the contents of the draft report to those charged with governance for 2018/2019, a copy of which was available on the Council's website. It also noted that a detailed response to the document would be submitted to a future meeting.

**AGRS Progress Report August 2019**

The Panel considered a report which provided an overview of the specific internal audits which had been carried out for the period between March to August, 2019, by Audit, Governance and Risk Services.

It was highlighted that a number of audits had been completed in the six month period, 3 of which had received an assurance opinion of major improvement, as follows:

- **Capital Programme - Corporate / Strategic Level Issues** - One of the objectives of the Capital Programme was to support the delivery of the Belfast Agenda. It was found that projects within the Capital Programme currently demonstrated alignment with the Belfast Agenda in a fairly general way and that further work was required to:
  - Ensure appropriate alignment between the Belfast Agenda and the various programmes, projects and services around the Council through the establishment and implementation of new governance arrangements for each of the pillars of the Belfast Agenda; and
  - As part of this work, ensure a greater focus on the achievement of Belfast Agenda outcomes and embed new arrangements to ensure that the outcomes associated with programmes and projects around the Council (e.g. Capital Programme, Customer Focus Programme etc.) were properly linked to the Belfast Agenda, and were properly defined / quantified and monitored.

The Strategic Hub had been tasked with addressing these complex corporate-wide issues.

- **Asset Management** - A recent corporate risk workshop had highlighted that the need for effective asset management and maintenance was a key risk area for the Council. The Risk Action Plan had not been substantially updated for a number of years to reflect this risk. Consequently, there was a need for a fundamental review of this risk and the associated mitigations, clarification of roles and responsibilities in relation to asset management and

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maintenance, review of resourcing and financing, development of an Asset Management Strategy.

- **Externally Funded Projects** - It was important to note that responsibility for the ongoing compliance with terms and conditions of funding lay with the relevant Senior Responsible Officer and was not the responsibility of Physical Programmes Department. The key actions were a protocol for formal handover of projects and reporting corporately on the meeting of performance indicators and outcomes as per letters of offer. Given the fact that the council was increasingly becoming the delivery agent for projects funded by other organisations, and that there has been a significant delay in the implementation of corporate level assurance reporting on compliance with post-build terms and conditions, a conclusion of 'major improvement needed to the risk management process' had been given.

It was reported that the Local Development Plan, Continuous Improvement and Organisational Development, Peace IV, Births, Deaths, Marriages and Civil Partnerships, Belfast Waterfront and Ulster Hall Ltd: Finance and Performance, Financial Position of the Council, Building Control, Economic Development, Local Investment Fund all required 'Some Improvement'.

The Panel was informed that that the following audits were in progress:

- Corporate Risk Review – Health and Safety (draft report);
- Corporate Risk Review BWUH – (draft report);
- Corporate Risk Review – Belfast Agenda (fieldwork);
- Organisational Culture – (fieldwork);
- Pitches Strategy – (fieldwork);
- Planning Enforcement – (fieldwork);
- PCSP's – (draft report); and
- Budgetary Control & Financial Reporting (fieldwork).

The Panel was also informed that a number of other pieces of work had been completed in the period, such as AGRS Review of City Centre Recovery, HR/Payroll – implementation of the new system, Visit Belfast follow up on audit actions and Everybody Active 2020 governance statement sign off.

The Panel noted the Progress Report for the period March – August 2019 and the replacement of the planned audit of waste management with waste collection.

**Corporate Risk Management Q/E June 2019**

The Head of AGRS reported that, following a workshop in May with senior management to review the corporate risks, management had agreed 19 corporate risks, with a further corporate risk subsequently identified in relation to a 'no deal' Brexit. The Head of AGRS referred the Panel to the corporate risks set out in the appendix and explained that these corporate risks were considered by management to present the

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greatest threat to the delivery of the corporate plan and / or compliance with key statutory requirements. She confirmed that AGRS were currently working with each Risk Owner to support them in assessing each risk and developing the necessary mitigation actions. As these corporate risk mitigation plans were developed they would be reported into the Corporate Management Team for consideration and sign off before being reported to the Assurance Board and Audit and Risk Panel.

One member had a query regarding safeguarding arrangements at Council leisure centres and the Panel agreed that an update would be submitted to the next meeting for consideration.

The Panel noted the information which had been provided.

**Fraud and Whistleblowing –  
Annual Report and Policy Update**

The Panel considered the Annual Report on the Fraud and Whistleblowing Policy and related arrangements, including the application of the policies during 2018/19.

The AGRS Manager reminded the Panel of the Council's participation in the National Fraud Initiative and explained that the investigations which had been completed to date highlighted 8 new instances or investigations into fraud and financial impropriety, 1 external (substantiated) and 7 internal (1 substantiated).

He highlighted that, in relation to Whistleblowing and Anonymous Concerns, the process had been extended to include anonymous complaints and concerns not formally raised as Public Interest Disclosures but which, nevertheless, required review and potential investigation. During 2018/19, 16 concerns had been received compared with 21 cases received during 2017/18.

At 31st March, 15 of the 16 investigations had been completed with one case ongoing, a disciplinary investigation was ongoing which related to a case that had been opened during 17/18. Of the 15 investigations closed:

- allegations were fully substantiated in 2 cases;
- allegations were partly substantiated in 4 cases;
- allegations were not substantiated in 9 cases; and
- 3 cases had been raised anonymously, 7 from members of the public, 6 were from employees and 1 was referred anonymously via the Northern Ireland Audit Office.

It was reported that, where appropriate, the issues arising from investigations had been followed up, for example through referral to management of cases for consideration under the council's disciplinary procedures or through review and tightening of controls over particular areas.

The Audit, Governance and Risk Services Manager pointed out that a key element of the Council's counter-fraud arrangements was its participation in the National Fraud Initiative which was essentially a data matching exercise that involved comparing sets of

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data against other records held by the same or another body, allowing potentially fraudulent or erroneous payments to be identified, reviewed and, where necessary, investigated. He advised that AGRS, in consultation with Financial Services, had reviewed the majority of matches for the 2018/19 exercise and work was ongoing to review the remaining matches. He highlighted that they were currently liaising with departments to determine if adequate conflict of interest declarations had been made or were required, relating to matches identified. He confirmed that, to date, one duplicate payment had been identified relating to a grant, where £2000 had been paid twice and Financial Services were currently progressing the recoupment of the duplicate payment.

The Audit Panel approved the updated fraud and whistleblowing policies, and noted the updated cases which had been handled in 2018/19, together with the ongoing work in relation to the Corporate Fraud Risk Assessment and the National Fraud Initiative.

**AGRS Terms of Reference / Charter - Annual review**

The Head of Audit, Governance and Risk Services (AGRS) advised the Panel that, in line with good practice, the agreed annual programme of business provided for an annual review of the purpose and terms of reference for Audit, Governance and Risk Services (AGRS). She reported that the purpose and terms of reference of AGRS were important because they set out the purpose, authority, reporting arrangements, access and scope of the internal audit function so that all stakeholders had a clear understanding of the role of the internal audit function, its powers and responsibilities. The Head of AGRS explained that the terms of reference had been updated to refer to more recent legislation and that this didn't impact on the remit of the work of AGRS.

The Panel approved the AGRS terms of reference (copy available on the Council's internal website.)

**Self-assessment against the Public Sector  
Internal Audit Standards**

The Panel considered the undernoted report:

**“1.0 Purpose of Report or Summary of main Issues**

**1.1 The purpose of this report is to advise the Audit & Risk Panel of the self-assessment against the Public Sector Internal Audit Standards (PSIAS) undertaken by AGRS and to provide an update on the action plan arising from the previous external review of AGRS in October 2017.**

**2.0 Recommendations**

**2.1 That the Audit & Risk Panel note the self-assessment against the PSIAS undertaken by AGRS and the update on the action plan arising from the previous external review of AGRS in October 2017.**

**3.0 Main report**

- 3.1 The PSIAS require regular internal and external assessments to confirm that the internal audit service (AGRS) is operating to professional standards for internal auditing, thereby giving an assurance to key stakeholders that they can rely on the professionalism of the Service.**

**Internal Assessments**

- 3.2 The PSIAS require ‘periodic self-assessments.... to evaluate conformance with the Definition of Internal Auditing, the Code of Ethics and the Standards.’**
- 3.3 Our detailed self-assessment against the PSIAS is set out at appendix A. In summary, this self-assessment found that we are compliant with the PSIAS.**

**External Assessments**

- 3.4 The PSIAS also stipulate that ‘external assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation.’**
- 3.5 Following a competitive quotation process overseen and approved by the Deputy Chief Executive and Director of Finance and Resources, On Board Training and Consultancy were appointed to undertake an external review of AGRS. The report was issued in October 2017 and was reported to the December 2017 meeting of the Audit and Risk Panel. In summary, On Board concluded that:**
- AGRS conforms to the requirements of the Public Sector Internal Audit Standards**
  - There are a few areas which require action but they do not significantly impact on On Board’s overall opinion**
  - There was strong evidence from their review of the value and contribution that AGRS makes to the Council’s governance, risk management and control environment**
- 3.6 An action plan was also presented, setting out how AGRS would address the recommendations arising from this external review. A progress update on this action plan is at Appendix B and shows that 12 out of 13 actions have been**

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**fully implemented. The remaining action regarding monitoring and reporting on the actual number of days spent on audits against the budgeted number of days is in progress and will be re-visited at the training session being organised for October.**

**4.0 Financial & Resource Implications**

**4.1 None**

**5.0 Equality or Good Relations Implications/Rural Needs Assessment**

**5.1 None known at this time.”**

The Panel noted the self-assessment against the Public Sector Internal Audit Standards undertaken by Audit, Governance and Risk Services (AGRS) and the update on the action plan arising from the previous external review of AGRS in October, 2017.

**Performance Improvement - 2018-19 Year End Report  
and Arrangements for 2019-2020**

The Director of Finance and Resources provided the Panel with details of the reporting arrangements which were in place to ensure that the Council complied with the performance improvement duty 2018-2019, as laid out in Part 12 of the Local Government (NI) Act 2014 and the associated guidance from the Department for Communities and the NI Audit Office (NIAO). That ‘duty’ sought to measure the performance of councils and the arrangements which were in place to meet with the performance improvements objectives.

The Panel was presented with the year-end corporate Performance Assessment for 2018-19. The Director of Finance and Resources highlighted that this year’s report contained a new section, Section 3 ‘Continuous Improvement’, which had resulted from revised Department for Communities (DfC) Guidance that sought greater detail about emerging issues that lead to organisational improvements. He pointed out that Section 6 contained an overview of the Council’s performance in relation to 7 statutory performance indicators (3 waste, 3 planning and 1 economic development) as required under the Local Government Performance Indicators and Standards Order (2014).

He stated that it also included a list of ‘self-imposed’ indicators which would provide an update on performance against the Performance Indicators listed in last year’s Corporate Improvement Plan. He pointed out that, following a request from DfC, two additional indicators in respect of Absence and Prompt Payments had also been included this year, together with comparative data with the other 10 Councils and trends.

The Director reported that a Performance Assessment had been produced ahead of the September deadline (copy available internally [here](#)), and following the Strategic Policy and Resources Committee meeting in September, the report would be published online subject to the ratification of the Council.

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He confirmed that updates on progress against the 2019-20 Improvement Plan would be presented to the Panel at mid-year and year end in line with our agreed processes.

The Panel approved the year end Performance Assessment and noted the proposed arrangements for 2019-20 and correspondence received from NIAO about those arrangements.

**Local Government Auditor's Report – 2019**

The Head of AGRS reported that the Local Government Auditor was required to produce an annual report which summarised, from an external audit perspective, the key issues which had arisen in all Councils across Northern Ireland. The report, published in June, provided the Local Government Auditor's perspective on the audits of all local councils based on the key messages from audits performed up to 31st March, 2018.

The Chief Local Government Auditor explained that the report had raised a wide variety of issues arising from the audits, which included helpful comparative information with other councils.

The Head of AGRS explained that the report was not specific to Belfast City Council but did include information regarding the Council and comparative information with other councils. The report also included general observations made by the Local Government Auditor in a number of areas including, value for money in the use of agency workers, reserves policy, Audit & Risk Panel training, conflict of interest training for Members, conduct of a NI-wide study on Planning, performance improvement, plans to undertake a cost benefit analysis of local government reform, absenteeism, principles for asset management and monitoring of city deals. The Head of AGRS assured the Panel that these observations and recommendations had been communicated to the relevant managers for information and action.

After discussion, the Panel noted the NIAO report at Appendix A and that AGRS had circulated the report to the relevant officers in the council for information and action.

**Option to Extend the Contract with the Non-Executive Member  
of the Audit and Risk Panel**

It was reported that the contract for the non-executive member of the Panel, Ms. S. Hetherington, had reached the one year review point and the Panel had the option to extend this agreement for an additional two years, in line with the relevant legal agreement.

The Panel agreed to extend the non-executive Members' contract for a further two years.



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**Audit and Risk Panel Annual Training Session**

The Panel noted that Training had been arranged for the morning of 21st October commencing at 9:30am. Further details, such as the location of the Training, would be confirmed with the Panel in due course.

During discussion, one Member reiterated the importance of Audit Training and attendance of all Members at meetings.

After discussion, the Panel noted the information on the training event and agreed that the Director of Finance and Resources would write to Party Group Leaders to highlight meeting attendance at the Audit and Risk Panel.

Chairperson