

Audit and Risk Panel

Tuesday, 3rd December, 2019

MEETING OF AUDIT AND RISK PANEL

Members present: Councillor Hussey (Chairperson);
Alderman Rodgers;
Councillors Carson, Hanvey and O'Hara; and
Ms S. Hetherington.

In attendance: Mr. R. Cregan, Strategic Director of Finance and Resources;
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;
Mr. N. Munnis, Partnership Manager;
Ms. S. Murphy, Northern Ireland Audit Office; and
Ms. E. McGoldrick, Democratic Services Officer.

Apologies

No apologies were reported.

Minutes

The minutes of the meeting of 10th September were taken as read and signed as correct.

Declarations of Interest

No Declarations of Interest were reported.

Safeguarding Arrangements at Leisure Centres

The Panel was reminded that the management of the Council's leisure facilities and services was delivered under contract by Greenwich Leisure Ltd. (GLL). Contract compliance and performance monitoring was governed by Active Belfast Limited (ABL) and in turn reported to the Council via the Strategic Policy and Resources Committee.

It was reported that, under the contract, GLL was responsible for all operational aspects of facility management and service delivery, which included Health and Safety and safeguarding, together with the liability for Health and Safety and safeguarding. Although not directly responsible for delivery or liability, it was accepted that the Council,

**Audit and Risk Panel,
Tuesday, 3rd December, 2019**

as owner of the service, was a key stakeholder and potentially could suffer reputational damage should a serious incident occur. Consequently, the contract governance arrangements included robust monitoring and assurance reporting in relation to both Health and Safety and safeguarding.

The Partnership Manager advised that, in seeking assurance that GLL was operating within existing legislation and best practice, and that GLL policies and procedures were closely aligned to those of the Council, a number of key actions had been included in the ABL annual contract compliance calendar.

He confirmed that these actions and the agreed annual review process took full account of the identified Council corporate risk in relation to both broader Health and Safety management and specifically safeguarding arrangements.

During discussion, he advised that all new products in the facilities were subject to a risk assessment before being put into operation.

In relation to Leisure Centre Liability Claims, he indicated that Compensation Claim Liability depended on the nature of the claim.

After the discussion, the Panel noted the information which had been provided and agreed that a further breakdown of compensation claims, in relation to Leisure Centres, be reported at a future meeting of the Panel.

Absence Rates Q/E September 2019

The Panel considered a report providing information on the absence figures for the second quarter of 2019/2020. The Head of Human Resources reported that sickness absence per employee for that period had been 6.05 days against an agreed corporate target of 6.33 days. She advised that the number of absences which had been classified as long term (20 days or more) during the quarter had been 68.54%, which was a decrease compared to the same period last year at 71.10%.

She advised that the number of days lost per full time equivalent was less in quarter two (2.99 days) when compared to quarter one (3.08 days) and there had been a significant improvement when compared to the same period last year (3.57 days).

In relation to Disability Related Absence, approximately 30% of absence (3817.3 days) had been recorded as disability related and 50% of disability related absence was being managed as long term.

She highlighted that a recent benchmarking exercise had been conducted of the Council's rate of disability related absence in comparison to other local authority and public sector employers. Of the 9 organisations that responded, none of them specifically recorded disability related absence. However, CIPD data suggested that 30 – 35 percent would be the average disability related absence figure for a large organisation.

**Audit and Risk Panel,
Tuesday, 3rd December, 2019**

In relation to the use of discretion, she reported that, in quarter two, of the 554 employees that were off due to sickness absence, discretion had been applied to 77 which accounted for 24% of the total absence for Quarter 2.

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

- Positive Mental Health and 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, Members questioned the potential to report on targets for sickness absence trigger points, compliance management, and the availability of data regarding work related stress.

The Panel noted the information which had been provided and agreed the following additions to reporting be examined by Human Resources:

- Targets sickness absence trigger points;
- Absence Reporting Compliance by Departments; and
- Data regarding work related stress absence, per Department and Grade.

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 September, 2019. She reviewed the progress which had been achieved in relation to the key performance indicators, where the Council had fully implemented 51% of the health and safety actions and 83% of the fire actions due at the end of quarter two.

She reported that the number of employee accidents for quarter two was 41, which was four more than in the last quarter. She reported that the highest number of accidents had been caused by employees being injured while lifting or carrying.

The Panel was informed that the number of RIDDOR reportable accidents had stayed the same 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 25 to 18 and the majority of which were of threatening behaviour and 2 incidents which involved physical violence.

She advised that there were 28 non-employee accidents during quarter one with 13 accidents due to slip, trip or falls.

**Audit and Risk Panel,
Tuesday, 3rd December, 2019**

She informed the Panel that correspondence had been received from the Northern Ireland Fire and Rescue Service in relation to a fire evacuation at the Ulster Hall and it had made recommendations regarding the upgrade of fire doors at the Ulster Hall. Subsequent visits to the premises had been undertaken by the fire officer and representatives from the Property Maintenance Unit to agree remedial works.

She advised that correspondence had been received from the Health and Safety Executive Northern Ireland (HSENI) during quarter two 2019/20. An HSENI Inspector had met with one of the Corporate Health and Safety team regarding a RIDDOR accident involving an employee cutting themselves with hedge trimmers. She confirmed that the inspector was content with the safety arrangements and no further action was required.

She reported that a HSENI inspector also contacted the Corporate Health and Safety Manager regarding their observation of a Refuse Collection Vehicle crew not wearing seat belts and this account had been passed to the Waste Collection Service for follow up.

Noted.

Northern Ireland Audit Office (NIAO) - Final report to those charged with governance for 2018/19 (Verbal Update)

Ms. Murphy from the Northern Ireland Audit Office updated the Panel on the issues raised in the Local Government Auditor's Report for 2018/19 in relation to the Accounts of Belfast City Council.

The Panel noted the final report for consideration would be issued for the next meeting in March.

Northern Ireland Audit Office (NIAO) - Annual Audit Letter for 2018/19 (Verbal Update)

Ms. Murphy from the Northern Ireland Audit Office updated the Panel on the Annual Audit Letter which was being prepared for publication and would be issued under Regulation 17 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015.

The Panel noted the letter would be submitted to the next meeting in March.

AGRS Progress Report November 2019

The Panel considered a report which provided an overview of the specific internal audits which had been carried out and finalised during September and November, 2019, by Audit, Governance and Risk Services.

It was highlighted that a number of audits had been completed in the period, 2 of which had received an assurance opinion of major improvement, relating to a follow up audit of Waste Collection and the audit of the Corporate Risk on Safeguarding. It was reported that action plans to address the audit issues had been agreed with management in these areas.

**Audit and Risk Panel,
Tuesday, 3rd December, 2019**

It was reported that audits had been completed of Planning Enforcement, Budgetary Control, Member Payments, Police and Community Safety Partnerships, Corporate Risk Review – Health and Safety, Corporate Risk Review - Belfast Waterfront and Ulster Hall all required 'Some Improvement'.

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

- Corporate Risk Review – Belfast Agenda (fieldwork complete);
- Corporate Health and Safety - Work Related Transport – (fieldwork);
- Organisational Culture – (fieldwork);
- Pitches Strategy – (fieldwork);
- Payroll audit – (fieldwork);
- Houses of Multiple Occupation – (planning);
- IT Asset Management (fieldwork complete);
- IT Project Management (fieldwork complete);
- Resilience (planning); and
- Continuous Improvement (planning).

The Head of Audit, Governance and Risk Services advised that management had requested the deferral of the following three reviews which had been planned, until 2020/21:

- **Fleet Management** - due to resources being focussed on the procurement of a new fleet by the year-end and the recruitment of a Logistics Manager.
- **People Strategy** - due to delays in approving the strategy; and
- **Developer Contributions** – due to delayed actions from the review in 2017, which had not yet been fully implemented.

In relation to investigations, she advised that AGRS were currently liaising with departments regarding whistleblowing cases, together with reviewing or investigating matches that had arisen as part of the National Fraud Initiative exercise.

During discussion, the Panel raised concerns in relation to the major improvement reviews which had been highlighted and the rationale for the deferrals. The Head of Audit, Governance and Risk Services explained further the management response to these audit reports.

In regards to Waste Collection Follow up Review, the Director of Finance and Resources advised that access issues and waste collection trends were being examined as part of the work of the Customer Focus Programme and would be reported to the People and Communities Committee in due course.

The Audit and Risk Panel noted the AGRS Progress Report for the period September 2019 – November 2019 and agreed that the planned audits of Fleet Management, People Strategy and Developer Contributions be deferred.

**Audit and Risk Panel,
Tuesday, 3rd December, 2019**

Recommendations Monitor October 2019

The Audit, Governance and Risk Services (AGRS) Manager reported that, at the start of this exercise, there had been 288 “outstanding” actions in the MKinsight system. He advised that AGRS staff had reviewed and, where appropriate, validated the progress that management had made to implement these actions. As a result of its validation exercise, it was reported that approximately a third of these actions had been closed. The AGRS Manager advised that, of the 198 actions that remained live, 141 of these had been partially implemented.

The AGRS Manager highlighted that there continued to be a number of actions which had been outstanding for a significant period of time and that in order to assist management to help clear these long outstanding recommendations, AGRS proposed to meet with management in these areas ahead of the next recommendations monitoring exercise in order to:

- discuss and clarify the issue and recommendations, to ensure management were aware of what was required in order to fully implement the recommendation;
- identify whether the recommendations remained valid;
- agree who should be responsible for taking the remaining action forward to implementation;
- challenge management on the validity of reasons for the continued delays to implementation; and
- assess whether the recommendations were being addressed via another specific programme of work (for example the Procurement Improvement Programme)

During discussion, the Panel raised concerns in relation to the number of outstanding actions which had been reported and highlighted the importance of realistic timelines when managers accept such actions from the AGRS. The Director of Finance and Resources advised that this would be reviewed in January with a key focus to resolve High Priority outstanding actions.

After discussion, the Panel noted the contents of the report and that an update report would be submitted at its next meeting.

Corporate Risk Management Q/E September 2019

The Head of AGRS provided an overview of the report and explained the process around identification of the corporate risks and the development of the related risk mitigation plans. She explained that this represented the baseline position against which progress would be reported on each quarter at meetings of the Corporate Management Team, the Assurance Board and the Audit and Risk Panel.

She provided an update on the completion of the Directors quarterly assurance statements. In addition, the Head of AGRS drew the Panels attention to the fact that over half of the councils critical services had not yet planned their business continuity exercise

**Audit and Risk Panel,
Tuesday, 3rd December, 2019**

for 19/20 and that Directors had been reminded of the importance of ensuring that these exercises should be properly planned and undertaken by the end of March 2020.

The Panel noted the information which had been provided and that a short review of the information contained within the report and appendices would be provided at its next meeting.

**Review and update of Risk Management Strategy and Business Continuity
Management Policy**

The Head of AGRS explained the key updates to the Risk Strategy, together with recent and planned improvements to the Council's risk management process.

She updated the Panel on the Business Continuity Management (BCM) Policy, planned improvements and a position statement on the implementation of recommendations arising from the external review of BCM which had been undertaken in 2016/17. She pointed out that the Action Plan from the external review had not been fully implemented as the issue of where responsibility for the oversight of the business continuity system should sit within the Council (a recommendation in the report) had not yet been resolved. In relation to this matter, the Director of Finance and Resources highlighted that there was no dedicated resource for Business Continuity Management and indicated that this was under consideration.

The Audit and Risk Panel noted the contents of the report and recommended for approval the updated Risk Strategy and Business Continuity Policy.

**Audit and Risk Panel Training Summary and Actions Arising and Annual
Review of Effectiveness of Audit and Risk Panel**

The Panel was reminded that Audit and Risk Panel training was held on 21st October facilitated by an external Governance Trainer. The training focused on maximising the value of the Audit and Risk Panel and covered:

- Strategic context of the Council and impact on the Audit and Risk Panel;
- Audit and Risk Panel role and oversight;
- How the Panel fulfils its responsibilities;
- The value of the Audit and Risk Panel; and
- Current developments.

During the course of the training the Panel had identified some further areas for improvement, as follows:

- There was a need to raise awareness and consider ways of improving attendance at the Audit and Risk Panel for example, to review the number of non-executive members, promoting the benefits of attendance etc.
- The Head of AGRS to liaise with the City Solicitor regarding the need to ensure that corporately, general issues that the Panel had

**Audit and Risk Panel,
Tuesday, 3rd December, 2019**

experienced with the timeliness, length and reporting of Committee information was addressed.

- The Panel indicated agreement with the quarterly reporting of progress against the internal audit plan and for the Head of AGRS to highlight where delays in completing audits was having an impact on overall completion of the plan of work for the year. Head of AGRS to seek feedback on the information needed of the Audit and Risk Panel;
- Head of AGRS to ensure that Audit and Risk Panel papers were succinct, timely and presented effectively to the Panel;
- Head of AGRS to ensure that significant delays in implementation of corporate risk actions were reported to the Panel.
- Audit and Risk Panel endorsed the benefit of being able to request senior management to attend future meetings of the Panel in order to provide the Panel with an update on the action being taken to address issues highlighted in audit reports. The Panel also saw value in requesting senior management to attend the Panel on occasions, to present an update on the progress that is being made to manage corporate risks; and
- AGRS to ensure that the review of organisational culture addressed the need for ethics to be simple and action based, rather than process based.

She advised that progress would be reviewed at the next training session for the Panel in October 2020.

In relation to the Assessment of the Audit and Risk Panel effectiveness, based on discussions on the day, on behalf of the Audit and Risk Panel, AGRS completed an assessment of the Audit and Risk Panel effectiveness against CIPFA best practice. The assessment found that previous areas for improvement in relation to assurances over partnerships and reviewing the Council's ethical framework had now been incorporated into the Panels terms of reference and factored into the annual internal audit strategy and plan. The assessment found the Panel to be in compliance with best practice.

After discussion, the Panel agreed to the proposed actions arising from the workshop, as set out, and noted a review of the implementation of these actions would be reported in October 2020 and noted the assessment of the Panel's effectiveness.

Mid-year report on Performance Improvement 2019/20 (Q2) (including an update on the implementation of the proposals for improvement)

The Director of Finance and Resources reminded the Panel that Part 12 of the Local Government (NI) Act required the Council to agree improvement objectives on an annual basis and publish these in the form of an Improvement Plan. The Council's Improvement Plan 2019-20 was agreed by Council in June, 2019 and contained the Council's commitment to securing continuous improvement as well as delivery of the Improvement Objectives.

**Audit and Risk Panel,
Tuesday, 3rd December, 2019**

He updated the Panel on the progress which had been made against activities contributing to the six Improvement Objectives contained within the Corporate Plan 2019-20 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;
- Deliver the integrated tourism strategy to increase the number of leisure and business tourists; and
- Deliver an integrated approach to employment and skills.

During discussion, he indicated that the Council was awaiting data in relation to improvement objective 4 - Increase household recycling and reduce waste to landfill for 2018/19 from the Department for Communities.

After discussion, the Panel approved the Performance Unit's overall assessment of the status of the activities contributing to the improvement objectives at mid-year.

Northern Ireland Audit Office (NIAO) - Improvement Audit and Assessment Report

Ms. Murphy advised that the Local Government Auditor had certified the improvement audit and assessment for the Council with a standard, unqualified opinion. She pointed out that this provided assurance to the Panel that the Council's arrangements to monitor performance of the delivery of its Improvement Objectives for 2019-20 had complied with the performance improvement requirements of Part 12 of the Local Government (NI) Act 2014.

She highlighted the 5 proposals which had arisen from the Council's audit and assessment under the following thematic areas:

- General duty to improve;
- Governance arrangements;
- Improvement objectives;
- Consultation;
- Improvement plan;
- Arrangements to improve;
- Collection, use and publication of performance information; and
- Demonstrating a track record of improvement.

She summarised the final audit and assessment report which set out the findings and conclusions from the assessment and included the audit and assessment certificate.

The Committee noted that that the NIAO had undertaken its annual audit and assessment on the Council's arrangements to secure continuous improvement and that

**Audit and Risk Panel,
Tuesday, 3rd December, 2019**

it had given the unqualified opinion that the Council has complied with the requirements of the Act.

Chairperson