

# Audit and Risk Panel

Tuesday, 13th June, 2023

## MEETING OF AUDIT AND RISK PANEL

HELD IN THE LAVERY ROOM AND  
REMOТЕLY VIA MICROSOFT TEAMS

Members present: Alderman Rodgers;  
Councillors McKeown and McLaughlin; and  
Ms. G. Fahy.

In attendance: Ms. C. Sheridan, Director of Human Resources;  
Mr. T. Wallace, Director of Finance;  
Ms. N. Largey, Interim City Solicitor/Director of Legal  
and Civic Services;  
Ms. C. O'Prey, Head of Audit, Governance and Risk  
Services;  
Mr. L. Mulholland, Audit, Governance and Risk  
Services Manager;  
Mr. M. Whitmore, Audit, Governance and Risk  
Services Manager; and  
Mr. H. Downey, Democratic Services Officer.

Also attended: Mr. M. Heery, Audit Manager, Northern Ireland Audit  
Office.

### Election of Chairperson

The Panel agreed that Councillor McLaughlin be elected to serve as Chairperson for the period to end on the date of the annual meeting of the Council in 2024.

(Councillor McLaughlin in the Chair.)

### Apologies

An apology was reported on behalf of Councillor Verner.

### Minutes

The minutes of the meeting of 7th March were taken as read and signed as correct.

### Declarations of Interest

No declarations of interest were reported.

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**Absence Rates - Quarter 4 2022-23**

The Director of Human Resources submitted for the Panel's consideration the following report:

**“1.0 Purpose of Report/Summary of Main Issues**

**1.1 The purpose of this report is to inform the Audit and Risk Panel of the Council's performance in managing absence in quarter 4, April – March 2023.**

**2.0 Recommendation**

**2.1 The Audit and Risk Panel is asked to note the contents of this report.**

**3.0 Main Report**

**Key corporate indicators:**

**At the end of Quarter 3:**

- **The Council's average sickness absence rate stands at 17.09 days per FTE, an increase of 0.76 days compared to absence for the same period last year (16.33).**
- **A total of 35,111.45 working days was lost due to sickness absence. This accounted for 7.59% of the total working days available.**
- **The table below provides a summary of how Departments performed against the target. As indicated below, 4 departments did not meet the corporate target for quarter 4 (12.99 days).**

End of year target	12.99					
Department	FTE	Total days lost	Days lost per FTE	Variance	% of Workforce	% of Absence
City and Neighbourhood Services	1152.26	22317.16	19.37	6.38	56.08%	63.56%
City and Organisational Strategy	123.37	789.08	6.40	-6.59	6.00%	2.25%
Finance and Resources	188.00	1675.98	8.91	-4.08	9.15%	4.77%
Legal and Civic Services	150.27	3119.65	20.76	7.77	7.31%	8.88%
Place and Economy	318.22	4515.63	14.19	1.20	15.49%	12.86%
Physical Programmes	122.56	2693.95	21.98	8.99	5.96%	7.67%
<b>Totals</b>	<b>2054.68</b>	<b>35111.45</b>	<b>17.09</b>	<b>4.10</b>		

**Additional Absence Information:**

- There was a decrease in the number of staff with no absence this year (37.43%), compared to 39.37% last year;
- There has been an increase in absence classified as long term (20+ days) this year (24040.23 days) compared to the same time last year (22710.18 days);
- The Council's average sickness absence rate further reduces to 15.31 days per FTE when COVID-19 related absences are deducted;
- The number of days lost per full time equivalent decreased in quarter 4 (4.33 days) when compared to quarter 3 (4.62 days). This decrease is illustrated in Figure 1;
- Depression/anxiety/stress (35.88% of total days lost) and musculo-skeletal (23.56% of total days lost) continue to be the top two reasons for absence. (Refer to Figures 2, 7 and 8 for further information);
- Between April 2022 and March 2023, 2796 cases of sickness absence were recorded (accounting for 35111.45 days). Discretion was applied to 368 of these cases (9.6%) and accounted for approximately 41.83% of the total absence for 22/23. (Refer to Figure 3 for further information);
- A total of 131 cases were identified as having compliance related issues. (Refer to Figure 4 for further information);
- Approximately 32% of absence (11296.35 days) is recorded as disability related, of which, 61% was managed as long term. Depression and Anxiety related absence accounted for 37.5% of disability related absence. (Refer to Figure 5 for further information);
- Since April 2022, a total of 558 employees were recorded as absent due to COVID and this accounted for 3836.48 days / 10.93% of the total absence in quarter 4;
- 24 employees met the trigger for a Stage 4 / FAH in quarter 3.

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- Discretion not to proceed to a stage 4 / FAH was applied to 12 of these cases. The reasons for discretion include, 2 employees returned to work between month 6 and 7, one employee was medically redeployed, one employee required additional information, one employee's case was bereavement related, 2 cases did not proceed due to disability related absence and five cases were not progressed due to employee related issues.
- 8 employees were ill health retired prior to Stage4/FAH being scheduled.
- 2 employees were dismissed at Stage 4 / FAH
- 1 employee attended a Stage 4 / FAH however, they were provided with a final opportunity to meet the standards of attendance (disability related reasons)
- 1 case did not proceed to Stage 4 / FAH due to non-compliance reasons (delay organising case review subsequent Stage 4 hearing).
- Corporate HR has developed guidance documentation and templates to assist departments with development of Attendance Improvement Plans and DMT reporting dashboards. As per the guidance, Corporate HR are currently reviewing departmental improvement plans and are proposing additional changes where necessary. A progress report will be provided to CMT at the end of Q1 23/24 to highlight how departments are implementing and monitoring its improvement actions.

**Conclusion:**

The Council did not achieve its target of 12.99 days for 22/23.

Covid related absence continued to have a significant impact in 2022/23 and, when Covid related absence is excluded, the year-end figure for the Council reduces to 15.31 days per FTE.

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**SDA type absences increased almost a quarter (26%), when compared to last year (12598.6 in 22/23 compared to 9995.54 days in 21/22). Bereavement related absence is now the main cause for non-work-related stress in the Council and accounted for 1999.56 days (or 15.87% of all SDA type absences); with 100 employees absent due to bereavement who on average, availed of 20 days per absence. The introduction of enhanced leave provisions for bereavement should result in a reduction in bereavement related absence.**

**Compared to last year, there was a significant increase in the application of discretion. In 2021/22, discretion was applied to 21% of absence cases whereby in 22/23 this figure rose to almost 42% and the average absence duration where discretion was applied increased from approx. 32 days (21/22) compared to almost 40 days (8 weeks) in 22/23.**

**Newly created attendance improvement plans have also been developed. These plans will focus on key targeted areas where departments have previously had issues with managing attendance.**

**In addition, a number of health and wellbeing initiatives are now available, for example, the Health and Wellbeing page on Interlink and there is an online Health and Wellbeing information hub - Staywell. This hub provides information, resources, training and signposts employees to further support on a range of mental and physical health and wellbeing topics.**

**Health and Wellbeing activity delivered in the past year has included the development of a new menopause policy, associated training for managers and the establishment of a menopause support group. There has also been continued delivery of our programme of Positive Mental Health and Stress Awareness for Managers training.**

**In addition to the introduction of an enhanced leave provision for bereavement leave, there has also been an enhancement to the provisions for unsuccessful fertility treatment and miscarriage leave.**

**Corporate HR has been working with departments, trade unions and other stakeholders to review the Health and Wellbeing Strategy. The revised strategy will be presented to CMT in the coming weeks along with a**

three-year action plan covering a number of areas actions including employee health checks, mental health and first aid and the development of an employee active travel plan. Launch of the Health and Wellbeing Strategy is planned for the autumn.

**Recommendations / Target**

Previously, it was agreed that the target for 22/23 would be set at 12.99 days and it is proposed that the target for 23/24 should remain 12.99 days. Departments and Corporate HR will continue to work together to reduce the level of absence across the organisation. The finalisation and implementation of the Health & Wellbeing Strategy will provide support to managers and staff along with a programme of activities which will support good health and wellbeing.

**4.0 Resource Implications**

**4.1 The Corporate Management Team have been asked to ensure that:**

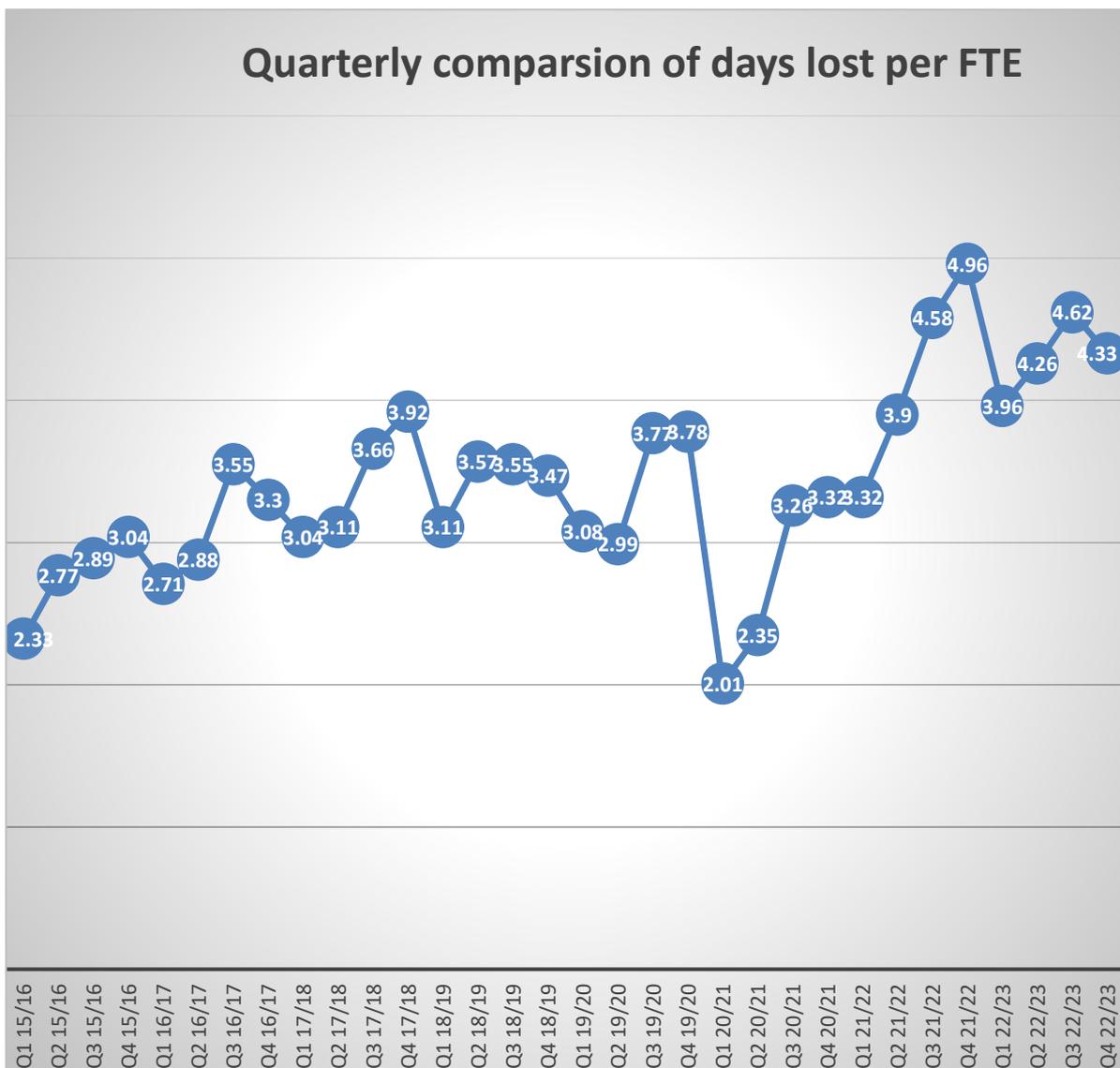
- **Departments review how discretion is being applied across its departments and a more robust approach needs to be considered**
- **Departments undertake to improve compliance, as discussed with Corporate HR**
- **Specific and reoccurring compliance issues must be reported and discussed at DMTs monthly**
- **Directors should review and agree departmental improvement plans before implementation**
- **Departments to rigorously review improvement plans on a quarterly basis and provide meaningful and tangible updates to Corporate HR and DMTs.**
- **Departments to refocus on absence management, particularly in regard to prompt organisation of meetings.**
- **Departments to ensure that Case Reviews take place by month 6 of an employee's absence and**

that, where agreed, final stage meetings ensue within 4 weeks of same.

**5.0 Equality and Good Relations Implications**

**5.1** Approximately 32% of absence (11296.35 days) is recorded as disability related. The use of discretion and reasonable adjustments are considered in such cases.”

**Figure 1: Quarterly Comparison of Days lost per FTE**



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**Figure 2: Reasons for Absence**

<b>Reason for Absence:</b>	<b>Total days</b>	<b>% of total absence</b>
Stress, depression, anxiety	12598.6	35.88%
Musculo-skeletal	8275.35	23.57%
Infections, Covid19	3836.48	10.93%
Stomach, digestive, etc	2524.69	7.19%
Infections, inc colds & flu	2128.36	6.06%
Chest and respiratory	1432.79	4.08%
Heart, blood press, circ, etc	1148.21	3.27%
Neurological, inc headaches	999.51	2.85%
Eye, ear, nose & mouth/dental	779.13	2.22%
Other	643.03	1.83%
Genito-urinary, inc menstrual	550.43	1.57%
Pregnancy related	155.82	0.44%
Indust/Other	39.05	0.11%
<b>Totals</b>	<b>35111.5</b>	

**Figure 3: Reasons for Discretion**

<b>Reason for Discretion</b>	<b>Total days</b>	<b>% of total</b>
Disability / Underlying medical condition	3196.03	21.76%
Mental Health	2585.07	17.60%
Planned surgery and recovery	1944.06	13.24%
Hospitalisation	1832.38	12.48%
Bereavement	1595.96	10.87%
Unresolved employee relation issue(s)	1570.43	10.69%
Industrial injury	1021.35	6.95%
Covid19	350.82	2.39%
Emergency domestic responsibilities	270.54	1.84%
Previous long service and clear record	223.03	1.52%
Violence at work	55	0.37%
Maternity	41.5	0.28%
<b>Total</b>	<b>14686.17</b>	
Total cases where discretion was applied in 2022/23	368	
Total days lost in 2022/23	35111.45	
% of total days lost where discretion applied	41.83%	
Average days off per occurrence of discretion	39.91	

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**Figure 4: Compliance Issues**

<b>Department</b>	<b>Number of cases</b>
City and Neighbourhood Services	116
City and Organisational Strategy	0
Finance and Resources	8
Legal and Civic Services	3
Physical Programmes	2
Place and Economy	2
<b>Grand Total</b>	<b>131</b>

**Figure 5: Disability Related Absences**

<b>Actual disability</b>	<b>Total days</b>	<b>% of total disability related absence</b>	<b>Managed as LTA</b>	<b>% of actual absence managed as LTA</b>	<b>% of Total Absence manager as LTA</b>
Depression / Anxiety	4236.93	37.51%	2350.84	55.48%	20.81%
Chronic back pain	878.09	7.77%	594.04	67.65%	5.26%
Osteoarthritis	648.41	5.74%	542.6	83.68%	4.80%
Cancer	620.33	5.49%	620.33	100.00%	5.49%
Arthritis	459.35	4.07%	254.08	55.31%	2.25%
Stroke	368.93	3.27%	368.93	100.00%	3.27%
Long COVID	320.03	2.83%	118.14	36.92%	1.05%
Chronic knee pain	260.3	2.30%	165	63.39%	1.46%
Epilepsy	240.76	2.13%	240.76	100.00%	2.13%
Heart failure	211.29	1.87%	211.29	100.00%	1.87%
Chronic hearing condition	190.19	1.68%	176	92.54%	1.56%
Chronic hip condition	170.96	1.51%	19	11.11%	0.17%
PTSD	168.85	1.49%	0	0.00%	0.00%
Colitis	153.68	1.36%	153.68	100.00%	1.36%
Chronic heart condition	135.04	1.20%	135.04	100.00%	1.20%
Vertebral collapse	130.07	1.15%	130.07	100.00%	1.15%
Chronic ear condition	117.97	1.04%	117.97	100.00%	1.04%
Ulcerative Colitis	117.97	1.04%	0	0.00%	0.00%
Ischemic Heart Disease	109.19	0.97%	0	0.00%	0.00%
Osteoarthritis	104.46	0.92%	104.46	100.00%	0.92%
Carpal Tunnel Syndrome	101.29	0.90%	75.34	74.38%	0.67%
Other*	1552.26	13.74%	526.62	33.93%	4.66%
<b>Total</b>	<b>11296.35</b>				

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Total absence end of Q4 22/23	35111.45
Disability related absence at Q4 2022/23	11296.35
% if absence lost due to disability	32.17%
% of disability related absence managed as LTA	61.00%

Other\* accounts for 34 different disabilities which each account for less that 100 days absence.

**Figure 6: Analysis of Stress/Depression/Anxiety (SDA) Types of Absence**

6.1 SDA Type Absence by Department – Total Days

Department	Personal Stress	Work related Stress	Totals
<b>City and Neighbourhood Services</b>	4850.13	2985.07	7835.2
<b>Legal and Civic Services</b>	596.2	685.92	1282.12
<b>Place and Economy</b>	1008.38	1133.48	2141.86
<b>Physical Programmes</b>	333	302.68	635.68
<b>City and Organisational Strategy</b>	95.66	192	287.66
<b>Finance and Resources</b>	347.08	69	416.08
<b>Total</b>	<b>7230.45</b>	<b>5368.15</b>	<b>12598.6</b>

6.2 SDA Type Absence by Department – % of Departments Absence

Department	Personal Stress	Work related Stress
<b>City and Neighbourhood Services</b>	61.90%	38.10%
<b>Legal and Civic Services</b>	46.50%	53.50%
<b>Place and Economy</b>	47.08%	52.92%
<b>Physical Programmes</b>	52.38%	47.62%
<b>City and Organisational Strategy</b>	33.25%	66.75%
<b>Finance and Resources</b>	83.42%	16.58%
<b>Total</b>	<b>57.39%</b>	<b>42.61%</b>

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6.3 Reasons for SDA Type Absence

<b>Reasons for absence:</b>	<b>Days lost</b>	<b>% of total days lost</b>
<b>Personal reasons:</b>		
Bereavement	1999.56	15.87%
Underlying medical condition	1975.18	15.68%
Family Sickness / Caring / WLB	1701.75	13.51%
Personal / Relationship Issues	1308.17	10.38%
Addiction issues	245.79	1.95%
<b>Total:</b>	<b>7230.45</b>	
<b>Work related reasons:</b>		
Work Issues: Relationships and Workload	2779.34	22.06%
Work Issues - Change	1293.59	10.27%
Employee relations issue	1076.41	8.54%
Work Related Incident/ inc WRV	218.81	1.74%
<b>Total:</b>	<b>5368.15</b>	
<b>Totals:</b>	<b>12598.6</b>	

6.4 Interventions to Assist with Managing Absence:

Total employees off due to SDA related absence	390	
Referred to Employee Counselling	390	100.00%
Referred to Occupational Health	250	64.10%
Redeployed to another post	10	2.56%
Discretion applied (where a warning was met)	107	27.44%
Mediation facilitated	23	5.90%

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6.5 Personal Stress v Work Related Stress by Department

Department	17/18		18/19		19/20		20/21		21/22		22/23	
	PS	WS	PS	WS	PS	WS	PS	WS	PS	WS	PS	WS
Chief Executives	359.98	257	372.53	84								
Finance and Resources	258.57		298.44	8.11	298.75	370.73	313.43	85	244.54	291	347.08	69
City and Neighbourhood Services	3974.06	2323.65	4083.32	1509.29	4516.56	1356.09	3802.77	2413.63	4342.25	2648.54	4850.13	2985.07
Development	123.5	87.51	107.58	126								
Planning and Place	121.01	172	508.69	131.25								
Property and Projects	1094.95	582.76	548.19	163.58								
Office of the Chief Executives					44.65	3						
City and Organisational Strategy					30.41	39	200.52	50	216.5	30.5	95.66	192
Legal and Civic Services					885.44	649.45	654.22	785.13	569.64	837.3	596.2	685.92
Place and Economy					386.74	189	539.52	173	386.93	285.5	1008.38	1133.48
Physical Programmes					264.24	157.44	140	9	56.08	86.76	333	302.68
<b>Totals:</b>	<b>5932.07</b>	<b>3422.92</b>	<b>5918.75</b>	<b>2022.23</b>	<b>6426.79</b>	<b>2764.71</b>	<b>5650.46</b>	<b>3515.76</b>	<b>5815.94</b>	<b>4179.6</b>	<b>7230.45</b>	<b>5368.15</b>
<b>Grand Total:</b>	<b>9354.99</b>		<b>7940.98</b>		<b>9191.5</b>		<b>9166.22</b>		<b>9995.54</b>		<b>12598.6</b>	

Department	17/18		18/19		19/20		20/21		21/22		22/23	
	PS	WS										
Chief Executives	58.35%	41.65%	81.60%	18.40%								
Finance and Resources	100.00%	0.00%	97.35%	2.65%	44.62%	55.38%	78.67%	21.33%	45.66%	54.34%	83.42%	16.58%
City and Neighbourhood Services	63.10%	36.90%	73.01%	26.99%	76.91%	23.09%	61.17%	38.83%	62.11%	37.89%	61.90%	38.10%
Development	58.53%	41.47%	46.06%	53.94%								
Planning and Place	41.30%	58.70%	79.49%	20.51%								
Property and Projects	65.26%	34.74%	77.02%	22.98%								
Office of the Chief Executives					93.70%	6.30%						
City and Organisational Strategy					43.81%	56.19%	80.04%	19.96%	87.65%	12.35%	33.25%	66.75%
Legal and Civic Services					57.69%	42.31%	45.45%	54.55%	40.49%	59.51%	46.50%	53.50%
Place and Economy					67.17%	32.83%	75.72%	24.28%	57.54%	42.46%	47.08%	52.92%
Physical Programmes					62.66%	37.34%	93.96%	6.04%	39.26%	60.74%	52.38%	47.62%
<b>Totals:</b>	<b>63.41%</b>	<b>36.59%</b>	<b>74.53%</b>	<b>25.47%</b>	<b>69.92%</b>	<b>30.08%</b>	<b>61.64%</b>	<b>38.36%</b>	<b>58.19%</b>	<b>41.81%</b>	<b>57.39%</b>	<b>42.61%</b>

**Figure 7: Analysis of Musculo-Skeletal Type Absence**

7.1 Total Days lost due to Musculo-Skeletal bsence - Personal and Work Related

	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
<b>Personal</b>	6602.77	6383.78	5965.48	8099.96	6386.42	4015.47	6372.03	6855.49
<b>Work Related</b>	1303.69	1107.91	1724.77	1337.87	1210.32	353.12	584.96	1419.86
<b>Total</b>	<b>7906.46</b>	<b>7491.69</b>	<b>7690.25</b>	<b>9437.83</b>	<b>7596.74</b>	<b>4368.59</b>	<b>6956.99</b>	<b>8275.35</b>

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7.2 % of days lost due to Musculo-Skeletal absence - Personal and Work Related.

	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
<b>Personal</b>	83.51%	85.21%	77.57%	85.82%	84.07%	91.92%	91.59%	82.84%
<b>Work Related</b>	16.49%	14.79%	22.43%	14.18%	15.93%	8.08%	8.41%	17.16%
<b>Total</b>	<b>7906.46</b>	<b>7491.69</b>	<b>7690.25</b>	<b>9437.83</b>	<b>7596.74</b>	<b>4368.59</b>	<b>6956.99</b>	<b>8275.35</b>

7.3 Total Days lost due to Musculo-Skeletal Absence - by Department

Department	Total days lost	% of MSC absence	% of total absence
City and Neighbourhood Services	5694.44	68.81%	16.22%
City and Organisational Strategy	69.77	0.84%	0.20%
Finance and Resources	412.02	4.98%	1.17%
Legal and Civic Services	432.59	5.23%	1.23%
Place and Economy	812.22	9.81%	2.31%
Physical Programmes	854.31	10.32%	2.43%
	<b>8275.35</b>		

7.4 Absence Attributable to a Disability:

	Total	
Not due to a disability	5609.85	67.79%
Due to a disability	2665.5	32.21%
<b>Total</b>	<b>8275.35</b>	

7.5 Interventions to Assist with Managing Absence:

Total employees off due to musculo-skeletal related absence	389	
Referred to Occupational Health	160	41.13%
Referred to Physiotherapy	61	15.68%
Phased return to work	46	11.83%
Redeployed to another post	7	1.80%
Reasonable adjustments put in place	61	15.68%

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**Figure 8: Analysis of how Absence was Managed**

Reason for absence:	Total days	Absence lasting 20 days or more		Absence lasting less than 20 days		Managed as LTA			% of total absence
		Total days	% of total	Total days	% of total	% managed as LTA	Total days lost	% of total absence	
Stress. depression, anxiety	12598.6	10903.26	86.54%	1695.34	13.46%	25.21%	3175.63	9.04%	35.88%
Musculo-skeletal	6855.49	5298.99	77.30%	1556.5	22.70%	30.43%	2086.12	5.94%	19.52%
Infections, Covid19	3836.48	1010.61	26.34%	2825.87	73.66%	16.50%	633.07	1.80%	10.93%
Stomach, digestive, etc	2524.69	1243.42	49.25%	1281.27	50.75%	20.47%	516.73	1.47%	7.19%
Infections, inc colds & flu	2128.36	273.21	12.84%	1855.15	87.16%	2.86%	60.95	0.17%	6.06%
Chest and respiratory	1432.79	935.01	65.26%	497.78	34.74%	28.20%	404.09	1.15%	4.08%
Indust musculo-skeletal	1419.86	1157.63	81.53%	262.23	18.47%	24.04%	341.33	0.97%	4.04%
Heart, blood press, circ, etc	1148.21	1060.63	92.37%	87.58	7.63%	74.68%	857.51	2.44%	3.27%
Neurological, inc headaches	999.51	751.96	75.23%	247.55	24.77%	57.20%	571.67	1.63%	2.85%
Eye, ear, nose & mouth/dental	779.13	459.37	58.96%	319.76	41.04%	54.79%	426.87	1.22%	2.22%
Other	643.03	416.15	64.72%	226.88	35.28%	41.04%	263.89	0.75%	1.83%
Genito-urinary, inc menstrual	550.43	431.75	78.44%	118.68	21.56%	68.26%	375.74	1.07%	1.57%
Pregnancy related	155.82	59.19	37.99%	96.63	62.01%	0.00%	0	0.00%	0.44%
Indust/Other	39.05	39.05	100.00%	0	0.00%	0.00%	0	0.00%	0.11%
<b>Totals</b>	<b>35111.45</b>	<b>24040.23</b>	<b>68.47%</b>	<b>11071.22</b>	<b>31.53%</b>	<b>27.67%</b>	<b>9713.6</b>	<b>27.67%</b>	

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During discussion, a Panel member highlighted the fact that the Council had failed to achieve its sickness target of 12.99 days for 2022/23 and another sought clarification on when the target had last been achieved.

The Director of Human Resources stated that it was her understanding that, with the exception of the year of the Covid-19 pandemic, it been some time since the target had been achieved.

The Panel expressed the view that the current sickness target was unrealistic and, accordingly, agreed to recommend to the Strategic Policy and Resources Committee that it be increased to 14.85 days for 2023/24 and reviewed at the end of that time, in the context of the various initiatives, strategies and strands of work alluded to within the report.

**Update on Corporate Health and Safety Performance**

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

The Panel was reminded that it was responsible for overseeing the Council's risk, control and governance arrangements for health and safety. In undertaking this function, the Panel provided independent scrutiny of the Council's health and safety performance, with reports being presented to it on a quarterly basis.

Accordingly, the Health and Safety Manager submitted for the Panel's consideration a report on corporate health and safety performance and activities for the quarter ending on 31st March, 2023.

She provided, on a Departmental basis, information on the implementation of actions associated with the key performance indicators of health and safety and fire safety and pointed out that, at a corporate level, compliance rates had been 63% and 72% respectively.

In terms of accident/incident reporting, there had, in quarter four, been 31 employee accidents, 3 non-employee accidents, 12 RIDDOR accidents and 9 incidents of work-related violence.

She concluded by providing details of the information which had, during quarter four, been forwarded to the Health and Safety Executive Northern Ireland in response to enquiries/correspondence.

The Panel noted the corporate health and safety performance and activities for the quarter ending on 31st March, 2023.

**Audit, Governance and Risk Services Progress Report**

The Audit, Governance and Risk Services Manager submitted for the Panel's consideration a report providing an update on the progress which had been made on the Service's audit and related activities during the period from March to May, 2023.

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He reviewed the outcome of the three audits which had been finalised during that period, namely, Corporate Health and Safety – Work Related Violence, Data Strategy Corporate Risk Review and Stores – Property Maintenance and highlighted the fact that 81% of the Internal Audit Plan for 2022/23 had now been completed or was in progress. He provided details of those audits which were currently in progress and confirmed that work had commenced on the 2023/24 Plan, with a number of assignments in the early stages of planning.

He then provided details of the assurance and advisory work which had been undertaken during the period in relation to the new accounting system and the HR Payroll System and added that Audit Governance and Risk Services was continuing to liaise with Departments on a number of ongoing investigations. He went on to outline the nature of the advice and consultancy services which Audit, Governance and Risk Services had provided to management and drew the Panel's attention to the proposed timetable for the next Recommendations Monitor exercise, which would be undertaken over the summer months.

The Audit, Governance and Risk Services Manager concluded by pointing out that the Internal Audit Plan for 2022/23 had made provision for an audit to be undertaken of the arrangements for the implementation of the Open Spaces and Streetscene project. However, as that project had now ended, management had suggested that there would be little benefit to be derived from proceeding with that audit and had suggested that a full audit of the Open Spaces and Streetscene service be undertaken instead. That would focus on providing assurance over the arrangements for organisation, management and oversight of service delivery to a high standard of customer service and provision had been made within the 2023/24 Internal Audit Plan.

Accordingly, he recommended that the Panel note the Audit, Governance and Risk Services Progress Report and agree to proceed with an audit of the Open Spaces and Streetscene Service rather than the Open Spaces and Streetscene project.

The Panel adopted the recommendations and, agreed, in terms of the completed audit of the management of the Data Strategy Corporate Risk, which had identified the need for major improvement, that the Head of Audit, Governance and Risk Services would bring to the attention of the Corporate Management Team the concerns which had been raised around the delay in completing the data maturity assessment and the implementation of the action plan and provide the Panel with an update at its next meeting.

**Fraud and Raising Concerns – Annual Report and Update on Policy**

The Audit, Governance and Risk Services Manager provided the Panel with an update on the main points contained within the Annual Report on the Fraud and Raising Concerns Policy.

He provided a high-level analysis update on fraud and financial impropriety cases for 2022/23 and confirmed that no new cases had been referred to the Police Service of Northern Ireland during that period.

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He then provided the Panel with information on the bank mandate fraud attempts which had been made during 2022/23, the majority of which had related to attempts to divert payroll to fraudulent bank accounts. All of those attempts had been unsuccessful, due to the vigilance and application of controls by Council officers.

The Panel was then provided with an analysis of the nine concerns/anonymous complaints which had been received in 2022/23 and, in terms of the Corporate Fraud Risk Assessment, was informed that mitigation plans were now in place for all seventeen Corporate Fraud Risks. It was confirmed that all fraud risk mitigation plans had been reviewed and updated by the relevant Directors during 2022/23, except for those relating to the Planning Service, as management was reviewing these in conjunction with the recently published Planning and Fraud Risks Guide issued by the Northern Ireland Audit Office.

In response to a query from a Panel member on the length of time it would take to implement the agreed audit actions referred to in one of the Fraud Risk Action Plans, the Audit, Governance and Risk Services Manager stated that these would be followed up as part of the Recommendations Monitor exercise, which was due to be completed over the summer months.

He went on to state that, where appropriate, Audit, Governance and Risk Services ensured that audits completed during 2022/23 had taken account of the risk of fraud and had included an evaluation of the controls to manage key fraud risks. This would continue during 2023/24. Any significant issues emerging from audits would be communicated timely to management to enable the required action to be taken. Where issues identified impacted on the corporate fraud risk assessment, the Service would ensure that these would be considered as part of the annual update of the corporate fraud risk assessment, as necessary.

He added that, as part of the development of fraud risk mitigation plans and annual review exercise, Audit Governance and Risk Services had advised management across the Council on how best to use their fraud risk mitigation plans to promote fraud risk awareness in their teams and to improve associated control measures.

In terms of the annual review and update of the Council's Fraud and Raising Concerns policies and associated arrangements to ensure that they reflected current legislation and best practice, the Audit, Governance and Risk Services Manager confirmed that a number of minor amendments had been made to the Fraud and Bribery Policy to reflect changes to job titles and that the whistleblowing policy had been replaced by the new Raising Concerns Policy.

He pointed out that, following the retirement of the Deputy Chief Executive and Director of Finance and Resources in October 2022, the role of Chair of the Defalcation Panel had been reallocated to the Director of Finance. The Panel was responsible for referral of cases, where necessary, to the Police Service of Northern Ireland for further investigation or directing investigations and related actions and also provided advice and guidance to Departmental representatives on the reporting of investigations to Council Committees.

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Ownership of the Fraud and Raising Concerns Policies would, he confirmed, be reallocated to the Deputy Chief Executive/Strategic Director of Corporate Services upon joining the Council in July, 2023.

The Audit, Governance and Risk Services Manager then reminded the Panel that the Service had, in November, 2022, launched the Council's new Raising Concerns Policy, following a comprehensive review of the Council's whistleblowing arrangements. The Service had, amongst other improvements, amended the terminology, considered other policies, provided guidance for members of the public and established a new raising concerns inbox. Given that the policy had only recently been launched, it would be reviewed next year as part of the annual policy review process.

He went on to report that, in February 2022, the Northern Ireland Audit Office had published an Internal Fraud Risk Guide, including a self-assessment checklist, to assist organisations in reviewing their arrangements for managing internal fraud risks, with a focus on key good practice standards. Audit, Governance and Risk Services had reviewed the guide and had completed the accompanying checklist.

He pointed out that the Council had a number of arrangements in place to manage and respond to the risk of fraud, including:

- robust policies and related arrangements, including fraud response;
- documented Corporate Fraud Risk Assessment and associated mitigation plans;
- a Defalcation Panel of senior managers;
- regular case review meetings; and
- consideration of fraud risks, as part of the audit process.

Having considered these arrangements, alongside the principles of the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption (2014), subject to the implementation of the Corporate Fraud Risk Action Plans, the Council had adopted a response which was appropriate for its fraud and corruption risks and was committed to maintaining its vigilance to tackling fraud.

The Panel noted the information which had been provided and agreed that the word "equitable" be added to Part 3 of the Fraud and Bribery Policy Statement, to reflect that the Council would deal with any allegations made in a firm, controlled and equitable manner.

**Update on Corporate Risk Management**

The Head of Audit, Governance and Risk Services provided the Panel with an update on the Corporate Risk Dashboard, which summarised the key updates from the risk review for the year ending on 31st March, 2023, compliance with the Risk Strategy,

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based on the assurance statements completed by senior management for the year ending on 31st March, 2023 and business continuity management arrangements.

She drew the Panel's attention to the key corporate risk updates and pointed out that the risk assessment had reduced for the following four corporate risks:

- Belfast Region City Deal;
- Corporate Health and Safety;
- Safeguarding; and
- The Local Development Plan.

She made reference also to:

- the new corporate risk entitled Failure to Deliver Residential Waste Collection, Street Cleansing and Bereavement Services;
- the current status of the mitigation plan for the corporate risk on Asset Management;
- the work which was underway to secure the leadership and senior level expertise to drive the Belfast Region City Deal digital pillar projects;
- the reallocation of ownership of the Corporate Risk Strategy and the Business Continuity Management Policy and the following corporate risks to the Deputy Chief Executive/Strategic Director of Corporate Services upon taking up the post in July, 2023:
  - Digital Information Security;
  - Belfast Region City Deal – Programme Management/Accountable Body role; and
  - Belfast Region City Deal – Digital Strand.
- the need to decide on future ownership of the corporate risk on 'developing a data driven approach to delivering the Belfast agenda'; and
- the implementation of nine actions to manage the corporate risks.

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She then provided the Panel with an update on the key theme to emerge during this quarter from the horizon scanning exercise, relating to the potential longer-term impacts on the delivery of those Council services which were funded by Central Government and confirmed that this matter would be further discussed at the session being organised for the Corporate Management Team on the specific future challenges facing Northern Ireland.

The Head of Audit, Governance and Risk Services went on to state that all Chief Officers and relevant senior managers had completed their Annual Assurance Statements and confirmed that sixteen of the seventeen critical services had Business Continuity Management Plans in place, with the outstanding Plan continuing to be delayed due to resource constraints within that unit. She added that the majority of Business Continuity Management Plans had been updated to take account of feedback provided in July 2022 on specific actions to be taken by the critical services to improve resilience to cyber-attack.

All Directors had now been informed that the following Business Continuity Management processes were to be reintroduced in 2023/24 and should be completed by the end of March 2024:

- the annual review and update of Business Continuity Management Plans to ensure that they reflected any changes, provided adequate guidance, raised staff awareness, were clear on priorities etc; and
- the annual exercising of the Business Continuity Management Plans to provide meaningful assurance on the ability to continue to deliver the critical service in the event of an incident.

The Panel noted the information which had been provided and agreed that the Head of Audit, Governance and Risk Services would write to the risk owners of the one hundred overdue actions which had been identified within the Corporate Risk Dashboard, with a view to determining if they were still valid.

**Head of Audit, Governance and Risk Services  
Annual Assurance Statement 2022/23**

The Head of Audit, Governance and Risk Services reminded the Panel that she prepared an Annual Assurance Statement, which provided a professional opinion on the adequacy and effectiveness of the Council's risk, control and governance arrangements. The Statement was one of the sources on which the Council relied for its Annual Governance Statement.

Accordingly, she drew the Panel's attention to her Annual Assurance Statement for 2022/23, which reflected the findings arising from audit work which had been undertaken during that period, as reported to the Audit Assurance Board and the Audit and Risk Panel on a quarterly basis throughout the year through audit progress, risk review and recommendation monitoring reports. She pointed out that the results of a self-assessment against the Public Sector Internal Audit Standards and against the Chartered Institute of Public Finance and Accountancy's Statement on the Role of the Head of

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Internal Audit had not raised any compliance issues, which was consistent with the results of the External Quality Assessment reported to the Audit Assurance Board and the Audit and Risk Panel in September, 2022.

The Panel noted the Head of Audit, Governance and Risk Services' Annual Assurance Statement for 2022/23.

**Annual Review of the Code of Governance**

The Head of Audit, Governance and Risk Services submitted for the Panel's consideration the following report:

**“1.0 Purpose of Report/Summary of Main Issues**

**1.1 In line with best practice, the Council has developed a Code of Governance, based on the seven core principles set out in the new CIPFA Solace Framework.**

**1.2 The results of the annual review and update of the Code informs the preparation of the Annual Governance Statement, which forms part of the published annual Financial Report for the Council.**

**1.3 This report presents the updated Code to the Audit and Risk Panel for review and approval.**

**2.0 Recommendation**

**2.1 The Panel is asked to review and approve the attached updated Code of Governance for Belfast City Council, which has been prepared in line with the CIPFA framework (2016 edition).**

**3.0 Main Report**

**Key Issues**

**This section of the report is laid out as follows:**

**3.1 - Introduction**

**3.2 - AGRS review of arrangements**

**3.3 - Ongoing improvements planned for 23/24**

**3.1 Introduction**

**3.1.1 Governance is about how Belfast City Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.**

**3.1.2 Belfast City Council is committed to the core and supporting principles of good governance set out within the CIPFA Solace Framework, namely that good governance means:**

- a) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;**
- b) Ensuring openness and comprehensive stakeholder engagement;**
- c) Defining outcomes in terms of sustainable economic, social and environmental benefits;**
- d) Determining the interventions necessary to optimise the achievement of the intended outcomes;**
- e) Developing the entity's capacity, including the capability of its leadership and the individuals within it;**
- f) Managing risks and performance through robust internal control and strong public financial management; and**
- g) Implementing good practices in transparency, reporting, and audit, to deliver effective accountability**

## **3.2 Annual Review**

**3.2.1 Audit, Governance and Risk Services has facilitated the annual review and update of the Council's Code of Governance. The main purpose of this review was to confirm that the Council has arrangements in place to address the seven principles of good governance as set out in the Code and to ensure that the Code reflects new initiatives and changes. AGRS contacted various Council officers and was provided with information on the various systems, processes and documentation in place to demonstrate compliance the seven principles of good governance set out in the Code.**

**3.2.2 The main updates to the Code are:**

- h) A People Strategy has been agreed with a three-year implementation plan in place;**

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- i) Continued adoption of the five-step financial strategy (originally implemented to address the impact of the pandemic on the Council's financial position) including temporary expenditure controls;**
  
- j) Implementation of the following key governance arrangements to support the Council in undertaking the Accountable Body role for the Belfast Region City Deal (BRCD) in 22/23:**
  - Governance and Assurance Framework
  - Accountable Body structures and assurance arrangements
  - Formal monitoring and reporting arrangements
  - Process, templates and checklists developed for payment and verification of claims
  - Template for Contracts for Funding agreed and as at May 2023, seven contracts have been signed
  
- k) Implementation of phase one of the Social Value Procurement Policy during 22/23;**
  
- l) Adoption of the Belfast Local Development Plan (LDP) - Plan Strategy in May 2023;**
  
- m) Update of the Raising Concerns policy (formerly a Whistleblowing Policy) in 2022, which allows members of the public, suppliers and contractors to raise concerns; there are two Raising Concerns Champions in place; a dedicated email address that can be used to raise a concern and; members of the public, suppliers and contractors can also raise a concern with guidance on how they can do on the council's external website;**
  
- n) In February 2022, the Council was awarded an AAA\* Disability Positive accreditation in recognition of our commitment to supporting disabled people into employment;**
  
- o) Corporate induction training for staff has now restarted;**
  
- p) In relation to the agreed actions to be taken in relation to the recommendations contained within the report from Peter Coll QC of his independent**

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investigation relating to events at Roselawn Cemetery on 30th June 2020 - Strategic Policy and Resources Committee agreed that they did not require any further updates because the remaining four actions are either ongoing or due to be completed in Spring 2023.

3.2.3 The review and update process confirms that arrangements were in place to address the principles of the Code and also identifies areas where ongoing improvements are planned (see below). The facilitation of the review and update of the Code of Governance by AGRS has not sought to validate the quality and application of all of these arrangements (although some elements of the framework have been subject to audit during the year).

**3.3 Ongoing Improvements Planned for 2023/24**

3.3.1 A number of improvements are quite complex to implement and while work has been undertaken to progress these improvements, they remain ongoing. It is important that these actions, designed to improve our governance arrangements, are considered as part of the corporate delivery plan and prioritisation of programmes / projects:

- q) The Health and Wellbeing Strategy is under review and a new year three action plan will be developed and agreed, incorporating training, initiatives and support to improve workforce health and wellbeing.
- r) Work is ongoing to develop a Council Climate Risk Assessment, Climate Action Plan, and Climate Investment Framework, with a City Climate Action Plan to follow at a later date, led by our Climate Commissioner.
- s) Member training will be offered to members after the election in May 2023.
- t) Implementation of phase two of the Social Value Procurement Policy commenced from 1st April, 2023

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**3.4 Equality or Good Relations Implications**

**3.4.1 Equality and good relations implications are integral to the Code of Governance.”**

The Panel approved the updated Code of Governance for the Council.

**Draft Annual Governance Statement 2022/23**

The Head of Audit, Governance and Risk Services reminded the Panel that the Council had a statutory responsibility to prepare and publish an Annual Governance Statement, as part of its Financial Report. This important document explained how the Council had complied with the requirements of the Local Government (Accounts and Audit) Regulations (Northern Ireland 2015) in relation to the publication of an annual governance statement.

Accordingly, she submitted for the Panel’s approval the draft Annual Governance Statement for 2022/23, which had been prepared in line with the Code of Practice on Local Authority Accounting in the UK 2022/23 accounts and was consistent with the principles of the new CIPFA/SOLACE Framework ‘Delivering Good Governance in Local Government’ (2016 edition). The Statement set out:

- the scope of responsibility of the Council in relation to governance;
- the purpose of the governance framework;
- the governance framework in place; and
- the review of the effectiveness of the governance framework.

The Statement also provided an update on the five significant governance issues which had been declared in the 2021/21 Statement, namely, Financial Planning, Digital Information Security, the Brexit Implementation Programme for Port Health, Recruitment Challenges and the Belfast Region City Deal. Since those continued to be declared as issues, it was proposed that they be included in the Annual Governance Statement for 2022/23.

She went on to confirm that the Annual Governance Statement would be incorporated into the unaudited statement of accounts and certified by the Chief Financial Officer by 30th June and would be subject to review by the Local Government Auditor (Northern Ireland Audit Office), as part of its annual audit. Following the audit, the Annual Governance Statement would, as part of the audited statement of accounts, be approved by the Chairperson of the Strategic Policy and Resources Committee and the Chief Executive.

The Panel approved the Annual Governance Statement for 2022/23, with the aforementioned five significant governance issues from 2021/22 to be retained and agreed that the Head of Audit, Governance and Risk Services would liaise with the Head of Digital

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Services in order to update the significant governance issue relating to Digital Information Security to reflect the need for the Council to make the best use of data and how this would be addressed within the Draft Digital Strategy.

**Northern Ireland Audit Office Audit Strategy 2022/23**

Mr. Heery submitted for the information of the Panel the Northern Ireland Audit Office Audit Strategy for 2022/23, which provided details, amongst other things, of:

- i. how the Northern Ireland Audit Office, on behalf of the Local Government Auditor, planned to audit the financial statements for the Council for the year ending on 31st March 2023, including how it would be addressing significant risks of material misstatement to transactions and balances;
- ii. how the Northern Ireland Audit Office, on behalf of the Local Government Auditor, planned to audit the proper arrangements in place for securing economy, efficiency and effectiveness in the use of resources for the year ending on 31st March 2023;
- iii. how the Northern Ireland Audit Office, on behalf of the Local Government Auditor, planned to conduct an improvement audit and assessment;
- iv. the planned timetable, fees and names of the audit team;
- v. relevant updates to the 2022-23 Code of Practice on Local Authority Accounting in the United Kingdom;
- vi. matters which the Northern Ireland Audit Office was required to communicate to the Council under International Standards on Auditing, including the scope of the audit, respective responsibilities, and how the Audit Office maintained independence and objectivity;
- vii. Public Reporting work undertaken by the Local Government Auditor of relevance to the Council; and
- viii. the actions to be taken into consideration by the Audit and Risk Panel.

The Panel noted the contents of the Northern Ireland Audit Office Audit Strategy 2022/23.

**Draft Audit and Risk Services Annual Report to  
Strategic Policy and Resources Committee**

The Head of Audit, Governance and Risk Services submitted for the information of the Panel a report which would, on 26th June, be presented to the Strategic Policy and

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Resources Committee for consideration. The report, which was submitted on an annual basis, would:

- i. provide the Committee with a summary of the key issues which had been considered by the Panel during the 2022/23 financial year, the assurances received and the areas requiring attention; and
- ii. present for the Committee's approval the Annual Governance Statement for 2022/23, which would include a summary of the Head of Audit, Governance and Risk Services' annual assurance statement.

The minutes of the meeting of the Audit and Risk Panel of 13th June would also be attached to the report for approval and adoption.

The Panel noted the contents of the report.

**Performance Improvement – Quarter 4 Performance 2022/23**

(Mr. G. Dickson, Strategic Policy Lead Officer, attended in connection with this item.)

The Strategic Policy Lead Officer informed the Panel that Part 12 of the Local Government (Northern Ireland) Act 2014 required councils to agree improvement objectives on an annual basis and publish them in the form of an Improvement Plan.

The aforementioned Act also contained a requirement to monitor progress against the improvement objectives and be reported through an annual assessment of performance. A year-end Corporate Performance Assessment for 2021/22 had been approved by the Panel on 21st September, 2022 and subsequently published on the Council's website.

He reminded the Panel that the Strategic Policy and Resources Committee, at its meeting on 17th June, 2022, had approved the Council's Improvement Plan for 2022/23. The Plan, which had included five improvement objectives, namely, Our City, Our Community, Our Economy, Our Environment and Our Services, had then been published on the Council's website.

He drew the Panel's attention to a report which provided an update on the progress made in Quarter 4 against the activities contributing to the Improvement Objectives contained within the 2022/23 Improvement Plan. The report set out the key milestones and provided a summary of activity under each objective, as well as the most up-to-date position on the performance indicators included within the Plan. Progress had, in the most part, been on target, with an explanation having been provided for the few milestones which had been slightly delayed.

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The Panel noted the quarterly update on progress and noted that it would, in due course, be presented with a year-end Corporate Performance Assessment for 2022/23 for approval.

**Date of Next Meeting**

The Panel noted that its next meeting would take place on Tuesday, 12th September at 12.30 p.m.

Chairperson