

Audit and Risk Panel

Tuesday, 7th June, 2022

MEETING OF AUDIT AND RISK PANEL HELD REMOTELY VIA MICROSOFT TEAMS

Members present: Alderman Rodgers (in the Chair);
Councillors Hanvey, Hutchinson, and O'Hara; and
Ms. G. Fahy.

In attendance: Mr. R. Cregan, Deputy Chief Executive and Director of
Finance and Resources;
Ms. C. O'Prey, Head of Audit, Governance and Risk
Services;
Mr. M. Whitmore, Audit, Governance and Risk
Services Manager;
Mr. T. Wallace, Head of Finance;
Ms. E. Eaton, Corporate Health and Safety Manager;
Ms. H. Lyons, Corporate Finance Manager;
Mr. R. Connelly, Policy, Research and
Compliance Officer; and
Mrs. L. McLornan, Democratic Services Officer.

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

Apologies

An apology for inability to attend was reported from Councillor Carson.

Minutes

The minutes of the meeting of 8th March were taken as read and signed as correct.

Declarations of Interest

No declarations of interest were reported.

Election of Chairperson

The Panel was reminded that it was required to elect a Chairperson for the forthcoming year.

Moved by Councillor Hanvey
Seconded by Councillor Hutchinson and

Resolved – That, given the absence of some Members, Alderman
Rodgers takes the Chair for the duration of the meeting of 7th June, with

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the election of the Chairperson for the year to take place at the next meeting.

Absence Rates Year Ending March 2022

(Ms. C. Sheridan, Head of Human Resources, attended in connection with the following two items.)

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

“1 Purpose

1.1 This report

- Provides sickness absence data at the end of quarter four, 2021/22, (April 2021 to March 2022)
- Compares performance to targets at the end of quarter four, 2021/22, (April 2021 to March 2022)
- Compares this year's performance to the same period last year, (April 2020 to March 2021)
- Provides information on the impact of COVID19 on general attendance, use of discretion, disability related absence, top two absence reasons (mental health and Musculo-skeletal) and how long-term absence has been managed.
- Outlines proposal for managing absence.

2 Relevant Background Information

2.1 On 22 June 2020, the Corporate Management Team agreed that departments should continue to work towards a target of 10 days, to be achieved by the end of the current Council term, that is, by the end of March 2023. To achieve this target a reduction of 9.7% would be required each year.

2.2 It was therefore agreed that that the corporate target for 2021/22 should be 11.07.

3 Key Issues

3.1 Absence rates:

- At the end of March 2022, the average number of day's sickness absence per full time employee was 12.99 days. In addition, the average number of day's sickness absence due to covid equated to 3.34 days per full time employee. This is a total

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increase of 5.47 days compared to absence for the same period last year (10.86). Please note that the absence rate for the same period in 2019/20 was 13.58 days. It would be more appropriate to compare this year with 19/20 figures given the exceptional nature of last year (20/21).

- Further information on COVID 19 related absence is set out at paragraph 3.5.
- There was a decrease in the number of staff with no absence this year (39.37%), compared to 61.85% last year.
- There has been an increase in absence classified as long term (20+ days) this year (22710.18 days) compared to the same time last year (16782.24 days). Please note that long term absence in 2019/20 was 18914.96 days. It would be more appropriate to compare this year with 19/20 figures given the exceptional nature of last year (20/21).

3.2 The table below shows the trend in sickness absence per full time employee since 2014/15.

2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
10.3 days	10.3 days	12.4 days	13.72 days	13.71 days	13.58 days	10.86 days	16.33 days

3.3 The table below provides an indication of how the council is performing against the agreed corporate target of a reduction of 9.7% (11.07 days per FTE).

It should be noted that the figures provided for the new departmental structures have been manually configured as the new HR system cannot yet provide this information.

End of year target	11.07					
Department	FTE	Total days Lost	Days lost per FTE	Variance	% of workforce	% of absence
City and Neighbourhood Services	1192.66	22860.50	19.17	8.10	59.01%	69.27%
City and Organisational Strategy	117.22	738.38	6.30	-4.77	5.80%	2.24%
Finance and Resources	188.48	1370.73	7.27	-3.80	9.33%	4.15%
Legal and Civic Services	153.73	3231.54	21.02	9.95	7.61%	9.79%
Physical Programmes	125.65	2424.12	19.29	8.22	6.22%	7.34%
Place and Economy	243.45	2378.70	9.77	-1.30	12.05%	7.21%
Totals:	2021.19	33003.97	16.33	5.26		

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3.4 Three out of six departments met the annual corporate absence target of 11.07 days: Finance and Resources, City and Organisational Strategy and Place and Economy.

3.4.1

- **City and Neighbourhood Services.**

Overall, there was an increase of almost 6 days when compared to 2020/21 (19.17 days compared to 13.14). There has been a significant rise in COVID related absence, with a total of 4489.15 days (almost 20% of the departments total absence) attributable to COVID19 infections. CNS absence figure reduces from 19.17 days to 15.4 days when COVID19 related absences are excluded.

CNS also saw an increase in musculo-skeletal type absences compared to the previous year (5234.19 days in 21/22 compared to 3701.18 in 20/21), however there was an actual reduction when compared to 2019/20 (5855.44 days) figures.

Stress/depression/anxiety (SDA) absence increased by approximately 700 days (10% rise) when compared to the previous t year's figure (6959.79 days in 2021/22 compared to 6216.4 days in 2020/21).

Disability related absence accounted for approximately 41% of the total absence within CNS in 21/22 and 63% of this absence was managed under LTA.

3.4.2

- **Legal and Civic Services**

There was an increase of almost 7 days per employee from 14.08 in 2020/21 to 21.02 days in 21/22. Whilst this figure has increased it is worth noting that the figure is approximately 2 days higher in 21/22 when compared to the figure in 2019/20 (18.96 days).

199 employees were absent in 2021/22, which accounted for 3231.54 days absence. A small number of cases had a significant impact on the department's overall absence figures with 20 cases accounting for almost half of the absence within the department (48%).

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Covid related absence accounted for approximately 390 days (12% of the total absence), LCS absence figure reduces to 18.5 days when Covid related absence is deducted.

3.4.2

- **Physical Programmes**

There was a significant increase in absence from 1185.72 days in 20.21 to 2424.12 days in 21/22.

101 employees were absent during 2021/22, which accounted for 2424.12 days absence. 7 cases accounted for half of the absence within the department (50%). Of these 7, six were disability related and one was a case of long covid.

Covid related absence accounted for approximately 553 days (23% of the total absence), Physical Programmes absence figure reduces to 14.9 days if Covid related absence is deducted.

3.5 COVID19 Related Absence:

The Council was significantly impacted by absence directly related to COVID19 in Quarter 4.

725 employees were recorded as absent due to COVID19, a significant increase of 547 employees when compared to 2020/21 (178 employees). This accounted for 20.42% of the Councils total days lost in 2021/22.

The Council's year end absence figure reduces from 16.33 days to 12.99 days when covid 19 related absence is excluded. On average, COVID19 absence equated to 3.34 days per FTE employee.

The average duration of a covid related absence was approximately 9.3 working days. In accordance with guidance from LGA, ten working days was discounted for all sickness absence related to COVID19 (or symptoms) for absence trigger points and potential warnings.

3.6 The use of discretion (April 2021 to March 2022):

An analysis of the use of discretion was undertaken (see appendix 1).

From 1 April 2021 to 31 March 2022, 1361 employees were off due to sickness absence Discretion was

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applied to 290 of these employees (21%) and their absence accounted for approximately 29% of the total absence for 21/22. The average length of absence where discretion was used was 32.9 days per occurrence.

The reasons for discretion were as follows:

- Underlying medical condition and/or disability related (2012.68 days or 27.04%)
- Surgery and recovery (1155.49 or 15.52%)
- Work related stress (835.98 or 11.23%)
- Bereavement
- Personal stressors
- Industrial injury
- Maternity / Pregnancy related
- COVID 19
- Cancer
- Employee Relations
- Hospitalisation
- Broken bone
- Previous long service and clear record

3.7 Compliance (January to March 2022):

Compliance meetings continued during Quarter 4 and the table below illustrates the number of cases which have been discussed with departments.

Department	Number of cases
City and Neighbourhood Services	59
City and Organisational Strategy	0
Finance and Resources	0
Legal and Civic Services	12
Physical Programmes	6
Place and Economy	0
Grand Total	77

Examples of compliance matters discussed were:

- Delayed scheduling of stage meetings
- Failure to organise absence review meetings
- Delayed referral to Occupational Health and/or Employee Counselling
- Failure to update actions taken on corporate absence management system (PSE)

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- Delays in dealing with other issues such as grievance, discipline, that has impacted on the management of absence
- Lack of a holistic approach to dealing with all issues relating to an employee.

Corporate HR continues to work with departments and make recommendations to improve case management.

3.8 Disability Related Absence:

Disability related absence was analysed (see appendix 2).

In summary:

- Approximately 37.74% of absence (12454.4 days) is recorded as disability related
- 65.82% of disability related absence was managed as long term
- The use of discretion and reasonable adjustments is considered in such cases
- Employees who reported absence with depression / anxiety (33.81%), chronic back (9.98%) and heart conditions (9.83%) accounted for almost 54% of all disability related absence days.

3.9 Stress/Depression/Anxiety (SDA) related absence (see appendix 3):

There has been a slight increase in SDA related absence in the Council rising from 9166.22 days (5650.46 personal and 3515.76 work related) in 2020/21 compared to 9995.4 days (5815.94 personal and 4179.6 work related) in 2021/22. Personal stress accounts for most of the stress related absence (approximately 58%).

The main reasons for stress related absence in the council in 21/22 were:

- underlying mental health conditions (mainly depression and anxiety) -18.07%
- family caring/sickness reasons (such as a sick partner or child) -12.12%
- Personal / Relationship Issues (breakdown in marriage, relationships) -16.34%
- bereavement (10.66%);

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- work issues (relationships, workload and employee relations issues)-25.13%

The reasons outlined above account for 82% of the total days lost due to stress related absence.

329 employees were off due to SDA type absences in 2021/22. Whilst all employees were initially referred to employee counselling, 264 (80%) attended at least one session with employee counselling. 205 employees also attended occupational health for SDA type absences.

A benchmarking exercise was conducted with other NI Councils, in summary, all reported stress related absence as the number one reason for absence in their organisation and accounted for a similar percentage of overall absence.

3.10 Musculo-skeletal related absence (see appendix 4):

There was an increase (59%) in days lost due to musculo-skeletal type absences, from 4368.59 days in 2020/21 to 6956.99 days in 21/22. However, it is worth noting that there was a decrease in this year's absence figure, for musculo-skeletal type absences, when compared to 2019/20 figure (7596.74 days)

CNS accounted for approximately 75.24% (5234.19 days) of all musculo-skeletal type absence within the council. 79% of musculo-skeletal absence is attributable to employees in manual roles. However, only 8.41% (or 584.96 days) of musculo-skeletal absence was recorded as work related.

Approximately 56% of all musculo-skeletal absence was attributed to underlying medical conditions which included arthritis, chronic back pain, prolapsed discs and tendonitis.

299 employees were off due to musculo-skeletal type reasons during 21/22. Of these, over half (154) were referred to occupational health and reasonable adjustments were recommended and implemented for 74 employees. Reasonable adjustments would have included lighter duties, phased return to work, adjustments to absence trigger points.

3.11 Long Term Absence Management (see appendix 5):

Any period of absence longer than 20 days would normally be regarded as 'long term' if the employee has an underlying condition which is likely to result in continuing or further absence. In such cases, the council will seek to support the employee and evolve a strategy to enable them to return to the workplace as quickly as possible. However, if an underlying condition is not present then an employee, who has been off over 20 continuous days, will be managed under the standards of attendance.

390 employees were absent for 20 or more continuous days, which is 68.5% (22620.46 days) of the total absence for 2021/22. 162 (41.5%) of these cases were managed under the long-term absence (LTA) procedure with managers appropriately making decisions to manage long term absence under the standards of attendance to ensure effective, robust management of the cases

3.12 Review of Attendance Policy:

The Attendance Policy is under review and consultation with management, Occupational Health and Employee Counselling has taken place. Consultation with trade unions is ongoing and Corporate HR continue to address this matter with the Trade Union Co-ordinators.

3.13 Stage 4 and final absence hearings:

A number of employees reached a Stage 4/final absence hearing (FAH) between January 2022 and March 2022.

In summary:

- **8 employees met the trigger for a Stage4/FAH.**
 - Three employees were ill health retired prior to their FAH convening.
 - Discretion was applied to three of the cases which did not proceed to Stage4/FAH due to efforts taken by an employee to improve their absence and two long term Covid cases
 - Two FAH's were delayed/cancelled due to incomplete documentation.

In addition to the above eight cases, there were a further two final absence hearings conducted. These cases were in relation to employees who had met the trigger

prior to January 2022. One employee was re-issued with a stage three warning and the other employee was dismissed.

Corporate HR continues to monitor departmental compliance with the attendance policy. Non-compliance issues, in relation to the final stages of the attendance policy, are raised with senior management when necessary.

3.14 Departmental improvement plans and Absence reporting to DMT:

Departments continued to submit departmental improvement plans and absence reporting dashboards as requested.

Looking forward Corporate HR will meet departments over the coming weeks to discuss specific departmental improvement plans and assist with identifying areas for departments to consider adding to their improvement plans. Absence dashboards will be reviewed to identify improvements to the reporting of absence data to DMTs.

3.15 Conclusion

The Council did not achieve its target of 11.07 days for 21/22.

Covid related absence had a significant impact in 2021/22 and as indicated previously when Covid related absence is excluded the year-end figure for the Council is 12.99 days per FTE.

Chest and respiratory related absences increased in 2021/22 and it is likely that this may linked to the secondary effects of covid related infections.

A number of health and wellbeing initiatives were delivered throughout the year including Mental Health First Aid Training and webinars to raise awareness and provide support and signposting for staff. It should also be noted that there has been a significant increase in the demand for our Employee Counselling service.

Council employees can access a range of health and wellbeing information and signposting via the Interlink Health and Wellbeing Support page. This in turn provides a further link to the online health and wellbeing

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hub Staywell, which has information on a wide range of physical and mental health and wellbeing topics.

In addition, an Active Travel Working Group has been set up to encourage more staff to walk, cycle or use public transport when they can. As well as the obvious health benefits, there are clear links to our aspirations around climate and the environment in our city. The Health and Wellbeing Action Plan will also be reviewed this year and an updated action plan developed.

3.16 Recommendations / Target

Previously, it was agreed that the target for 21/22 would be set at 11.07 (a 9.7% reduction on 12.26) in order to achieve a 10-day target by 22/23.

Unfortunately, the pandemic has had a significant impact on the 21/22 absence data therefore it would be unlikely that the target of 10 days by the end of 22/23 is now achievable, given the significant rise in absence levels in 21/22 and the likely continued impact of COVID related sickness. To meet a target of 10 days would require the sickness absence levels to drop 60.2%. It is therefore proposed that the Council sets a year end figure of 12.99 days.

4 Resource Implications

4.1 Directors are asked to ensure that:

- Attendance management continues to be an item on DMT agendas and related matters discussed and appropriate actions taken forward; and
- Resources are in place to ensure that adequate monitoring and review is in place at department level.

5 Equality and Good Relations Implications

5.1 Approximately 37.74% of absence (12454.4 days) is recorded as disability related. The use of discretion and reasonable adjustments are considered in such cases.

6 Recommendations

6.1 The Assurance Board / Audit & Risk Panel is asked to note the contents and agree the following:

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- **Departments continue to exercise the use of discretion appropriately**
- **Departments to undertake to improve compliance, as discussed with Corporate HR**
- **Specific compliance issues to be reported and discussed at DMTs monthly**
- **Directors should review and agree departmental improvement plans before implementation**
- **Progress on improvement plans and absence information dashboard (KPIs) to be presented and discussed at DMTs monthly**
- **Departments to refocus on absence management, particularly in regard to prompt organisation of meetings.”**

A Member queried whether Human Resources had seen an impact of Long Covid on the Council’s workforce. The Head of Human Resources advised the Panel that only one case of Long Covid had been submitted on a sick line but that it was still early in terms of the impact on staffing sickness levels.

The Panel noted the update which had been provided and agreed that that the corporate target of the number of sick days per employee for 2022/23 should be 12.99 days.

Recruitment Update

The Head of Human Resources submitted for the Panel’s consideration the following report:

“1.0 Purpose of Report or Summary of main Issues

- 1.1 At the Audit & Risk Panel (A&RP) meeting on 8 March 2022, the Panel requested a progress report on recruitment activity.**

The purpose of this report is to provide an update on the progress being made to address the recruitment issues highlighted in the Recommendations Monitor 8 March 2022.

2.0 Recommendations

- 2.1 That the Audit & Risk Panel notes the update on the progress on recruitment issues.**

3.0 Main report

At their previous meeting the Panel considered the Recommendations Monitor report which outlined that

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the implementation of a number of audit actions had been delayed due to specific staff resources issues. With this in mind, the Audit & Risk Panel requested a report on:

- The progress that was being made to address the specific staff resource issues referred to on the Recommendations Monitor report and
- An update on the improvements that are being made to the recruitment process to allow posts to be filled quicker

3.1 Update on Recruitment Activity

S76 Monitoring Officer post to progress audit actions in relation to Developer Contributions

Assistant Planning Officer (SO2): Post creation approved by CMT, 26 April 2022. Reserve list for post has now been exhausted and post will be publicly advertised.

Information Governance Unit to fully implement information management policy and compliance processes

IGU have requested a service review which has delayed a number of recruitments. Interim arrangements are being considered at present.

Temporary Route Optimiser post to progress a number of the domestic refuse collection audit actions.

Route Optimisation Project Officer (PO1) (Temporary project post for 2 years): Officer appointed and in post from 7 March 2022.

Occupational Road Risk Officer post to progress work related transport audit actions

Occupational Road Risk Officer (PO2) (Temporary project post for 12 months): Officer appointed and in post from 7 February 2022.

Temporary Contract Manager post for the Agency, Occupational Health and Employee Counselling contracts.

Human Resources Contract Manager (PO4) (Temporary project post for 12 months): Post creation approved by CMT, 26 April 2022. Post to be internally trawled and, if unfilled, publicly advertised.

3.3 Reviews

Building Control Review

The Building Control Review was approved by CMT 9 March 2021 and implementation of the structure commenced thereafter. There are still a number of vacancies to be recruited externally.

HR / Business Support reviews

The Corporate HR Review was approved by SP&R Committee in November 2021 and implementation of the new structure is almost completed, with a small number of posts to be filled. Departments are recruiting HR posts on a permanent basis which will provide greater stability.

The Business Support Review is being rescoped and it has been agreed that we would tender for external support with the initial planning and approach to the future design of our Business Support function. It is expected that this will go to market during June 2022.

In April 2022, consultancy support for the recruitment of skills testing and interview selection for Business Support Clerks was procured through a direct award from Crown Commercial Services. This will result in the permanent recruitment of 40 Business Support Clerks and the creation of a reserve list of up to 15 candidates for a period of 12/18 months. This exercise will commence in late June 2022 and will reduce the dependency on agency resources and provide stability for employees and the departments.

3.4 Improvements to the recruitment process.

From September 2021 we have provided a comprehensive programme of recruitment and selection training across the organisation to increase the number of suitably trained individuals available for panels and to ensure panels are representative from an equal opportunities' perspective. This has resulted in 314

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officers being trained or receiving refresher training since September 2021.

From 1 April 2022, the Protocol to trawl permanent posts internally has ceased. All permanent posts are advertised externally in accordance with the Local Government Staff Commission's Code of Procedures on Recruitment & Selection.

In February 2022, we sought and secured a number of deviations from the Local Government Staff Commission Code of Procedure on Recruitment & Selection. As a result, panels for posts above SO2 (excluding Director/Chief Executive) have three departmental officers (with one of these not necessarily being an HR Officer); and for posts at Scale 1 to SO2 the panel will comprise a minimum of two and a maximum of three panel members which may not necessarily include an HR Officer. These deviations have eased some of the pressure in securing panellists for recruitment exercises at certain grades.

4.0 Financial & Resource Implications

4.1 £6520 for the provision of recruitment & section training to 314 employees.

5.0 Equality or Good Relations Implications/Rural Needs Assessment

None at present.”

The Panel noted the update which had been provided.

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 31st March, 2022.

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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 62% and 72% respectively.

In terms of accident/incident reporting, there had, in quarter four, been 22 employee accidents, 12 non-employee accidents, 16 RIDDOR accidents and 11 work related violence incidents, which represented a slight overall increase on the previous quarter.

Health and safety statutory agency enquiries correspondence had been received from the Northern Ireland Fire and Rescue Service (NIFRS) and the Health and Safety Executive Northern Ireland, requesting internal investigation reports regarding a swimming pool fatality in Olympia Leisure Centre in September 2017.

In relation to Covid-19, the Corporate Health and Safety Unit continued to support the Council's Recovery Co-ordination Group and individual service managers to comply with evolving Government guidance and to ensure the health and safety of staff and others. The Corporate Health and Safety Manager stressed that the resource required from the Corporate Health and Safety Unit to support the Council continued to be provided at the expense of a reduction in routine health and safety activity. Recruitment was ongoing to fill gaps in the team and to provide an additional temporary project post.

The Members' attention was drawn to Appendix 4, which illustrated the length of time in which outstanding high priority actions had been open, as had been requested by a Member at a previous meeting.

A Member noted that it was comforting for the Council to know that the high priority actions were being dealt with.

In request to a further Member's request, the Corporate Health and Safety Manager stated that updates in relation to the outstanding high priority actions at Botanic Park, Malone House and Belfast Castle would be submitted to the next meeting.

The Panel noted the corporate health and safety performance and activities for the quarter ending 31st March, 2022.

**Fraud and Whistleblowing / Raising Concerns –
Annual Report & Policy Update**

The Panel considered the Annual Report on the Fraud and Whistleblowing Policy and related arrangements, including the application of the policies during 2020/21.

The AGRS Manager provided an overview of the investigations into alleged fraud and or financial impropriety including new cases in 21/22 and cases carried forward from the previous year.

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The AGRS Manager outlined that no new cases had been referred to the PSNI during the year and provided the Panel with a high level update on a case that had been considered for referral to the PSNI.

In terms of external fraud, the Panel was advised that there had been one bank mandate fraud attempt during 2021/2022 but which had been unsuccessful due to the vigilance and application of controls by Finance staff.

The AGRS Manager provided an overview of the investigations into concerns received under the Whistleblowing policy, including new concerns raised during 2021/2022 and cases carried forward from the previous year.

The AGRS Manager reminded the Panel that a detailed update report was presented to it in March 2022, setting out the work AGRS had undertaken with departments to review and update the Corporate Fraud Risk Assessment during quarter four.

He outlined that, during the course of 22/23, where operational capacity allowed, they would continue to work with management to develop mitigation plans for the remaining five fraud risks. In addition, they would, where appropriate, ensure that planned audits would take account of the risk of fraud. That would include an evaluation of the controls to manage key fraud risks. Any significant issues emerging from their audits would be communicated in a timely manner to management so that the required action(s) could be taken. Where issues might impact upon the corporate fraud risk assessment, AGRS would consider those and update the assessment as necessary. Advice would also be provided to management across the Council on how best to use the fraud risk mitigation plans to promote fraud risk awareness in their teams and to improve associated control measures.

The Panel was reminded that AGRS was responsible for the Council's Fraud and Whistleblowing (Raising Concerns) policies and that it reviewed the policies annually to ensure that they reflected current legislation and best practice. In terms of best practice, the CIPFA Code of Practice for Counter Fraud remained unchanged. He explained that some minor amendments, in terms of updating job titles had been made to the Fraud and Bribery Policy but that no further substantive changes to the policy were needed.

During 2021/2022 AGRS had undertaken a comprehensive review of the Council's whistleblowing arrangements, following a self-assessment exercise against the NIAO Raising Concerns Good Practice Guide. Whilst the existing arrangements were found to be generally in line with the NIAO guide, several improvement actions were identified. The policy review was now substantively complete with a number of changes being proposed, including:

- amending the terminology from whistleblowing to raising concerns;
 - ensuring that the new policy considered other policies such as Safeguarding and Complaints, Comments and Compliments
- providing guidance for members of the public on raising concerns;

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- the provision of a dedicated raising concerns e-mail address, contact details for two Raising Concerns Champions; and
- improvements on how it oversaw how concerns were handled and addressed.

The Members were advised that AGRS had liaised with colleagues from Corporate HR and Legal Services and were in the process of arranging for the policy to go through the formal management and Trade Union consultation process to agree the changes to the policy. They aimed to be in a position to bring the revised policy to CMT, the Audit Assurance Board and the Audit and Risk Panel for approval in September 2022.

The Panel noted:

- the updates on fraud, whistleblowing and related cases handled in 2021/2022;
- the work in relation to the Corporate Fraud Risk Assessment; and
- the annual review and update on work taking place in relation to the Council's Fraud and Whistleblowing (Raising Concerns) policies.

Corporate Risk Management

The Head of AGRS provided the Panel with an update on the key changes to the Corporate Risks following the risk review for quarter-end March 2022, which had been summarised in the Corporate Risk Management Dashboard

In particular the Head of AGRS drew the Panels attention to updates in relation to the corporate risks on the Customer Focus Programme (CFP), the Belfast Region City Deal, City and Community, Recovery Waste Management, the Brexit Implementation Programme for the Belfast Port, Health and Safety and Asset Management. The Head of AGRS also outlined that there was a need to ensure that the interim arrangements being agreed for Legal and Civic Services included the reallocation of ownership of the relevant corporate risks.

The Head of AGRS also highlighted the small number of mitigations actions that had been implemented in the period.

The Head of AGRS reminded the Panel that all Chief Officers and relevant senior managers completed an Annual Assurance Statement which allowed them to focus on outlining the significant governance issues facing the Council at the year-end. She updated that Panel that those statements had been completed by all relevant officers who had confirmed that all efforts had been made to manage key risks and maintain the Councils internal control systems during the pandemic response and recovery efforts.

In terms of Business Continuity Management (BCM)_the Head of AGRS outlined that BCM plans were in place for all but one of the 17 critical services, with the development of the BCM plan for Property Maintenance being delayed due to resource constraints in the unit.

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She went on to advise the Panel that work was underway to improve the Councils resilience to cyber-attack and that BCM plans for 13 of the critical services had been specifically updated for this scenario. Management of the three remaining critical services who had not yet updated their BCM plans, had been reminded of the need to do so.

The Panel agreed that the Strategic Policy and Resources Committee should adopt the recommendations.

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

The Members were reminded that, each year, the Head of Audit, Governance and Risk Services (AGRS) prepared an annual assurance statement. The statement was a professional opinion on the adequacy and effectiveness of the Council's risk, control and governance arrangements, and the opinion was one of the sources of assurance that the Council relied upon for its annual governance statement.

The Head of AGRS explained that, in keeping with the revised plan for 2020/2021, when developing the plan for 2021/2022 they had considered the Council's immediate assurance needs as the organisation continued to respond to and recover from the Covid-19 pandemic. That helped ensure that the audit work was focussed on the areas where assurance was most valuable and was timed and conducted in a way that minimised interruption, while complying with government guidelines. She outlined that Member and management agreement of the revised plan, combined with the delivery of the majority of the plan, during a time when the organisation was going through a period of significant change, signified Members and managers recognition of the importance of receiving independent assurance over the Councils "new normal" risk, control and governance frameworks and provided her with sufficient evidence to support her assurance statement. As such, she advised that there was no limitation of scope on her assurance statement and that on the basis of work carried out, she could provide a reasonable assurance regarding the adequacy and effectiveness of the Council's framework of governance, risk management and control.

The report reflected the findings which had arisen from audit work during 2021/2022 as reported to the Panel on a quarterly basis during the year. A summary of audit reports completed and progressed against the 2021/2022 plan was provided.

The Panel noted that some weaknesses and areas for improvement had been identified, which had been reported in detail to the Council's Audit Assurance Board and to the Audit and Risk Panel during 2021/2022 through quarterly progress reports.

The Panel noted the Head of AGRS' Annual Assurance Statement for 2021/2022.

AGRS Governance

The AGRS Manager presented the undernoted report to the Panel:

"1.0 Purpose of Report or Summary of main Issues

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1.1 The purpose of this report is to advise the Audit & Risk Panel of the self-assessment of:

- **AGRS against the Public Sector Internal Audit Standards (PSIAS)**
- **The Head of AGRS against the CIPFA Statement on the Role of the Head of Internal Audit.**

1.2 We are required to declare compliance with these within the Annual Governance Statement.

1.3 The purpose of this paper is also to seek the Panel's approval of the terms of reference / 'charter' for Audit, Governance and Risk Services (AGRS).

2.0 Recommendations

2.1 The Panel are asked to:

- **note the self-assessment against both the PSIAS and the CIPFA Statement on the Role of the Head of Internal Audit.**
- **approve the terms of reference / 'charter' for Audit, Governance and Risk Services (AGRS).**

3.0 Main report

PSIAS

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.' Our detailed self-assessment against the PSIAS is set out at appendix A (available on mod.gov). In summary, this self-assessment found that we are compliant with the PSIAS.

External Assessments

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3.3 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.’ Our last external assessment was undertaken by On Board Training and Consultancy in 2017/18 which 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

3.4 On 7 December 2021, the Audit & Risk Panel approved the proposed scope of the external assessment of AGRS for 2022/23. Following a competitive quotation exercise, the Deputy Chief Executive & Director of Finance & Resources approved the appointment of On Board Training to complete the 2022/23 external assessment. This will be completed in summer 2022, and the results will be communicated to the next meeting of the Audit & Risk Panel.

CIPFA Statement on the Role of the Head of Internal Audit

3.5 The CIPFA Statement (2019), outlines the principles the Head of Internal Audit should meet to be able to operate effectively and perform their duties, in addition to the personal skills and professional standards expected of the Head of Internal Audit. The Head of AGRS has undertaken this self-assessment, which indicates compliance with the statement and the detailed self-assessment may be found at appendix B (available on mod.gov).

AGRS Terms of Reference / Charter

3.6 International Standards for internal auditing and related UK Public Sector Internal Audit Standards require that the internal audit function has clear, approved terms of reference (sometimes referred to as a ‘charter’). This is to formally set out, in the context of the organisation, the purpose, authority, reporting arrangements, access and scope of the internal audit (AGRS) function so that all

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key stakeholders have a clear understanding of the role of the internal audit function, its powers and responsibilities.

3.7 Standards also require that this document is regularly reviewed and approved by senior management and the 'Board.' In light of this requirement, AGRS undertakes regular review of the document and submits it to the Audit & Risk Panel for approval. This year's review has resulted in only minor changes regarding pronouns. However, it is important that the Audit & Risk Panel reviews the document and confirms that they are satisfied that it meets organisational requirements. The terms of reference / charter are communicated in assignment terms of reference and AGRS presentations.

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 agreed that the Strategic Policy and Resources Committee should adopt the recommendations.

Code of Governance Annual Review

The Panel considered the undernoted report:

"1.0 Purpose of Report or 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 paper presents the updated Code to the Audit & Risk Panel for review and approval.

2.0 Recommendations

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2.1 The Panel are 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 22/23

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:

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

3.2 AGRS review of arrangements

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3.2.1 AGRS 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:

- a) Signing of the Belfast Region City Deal (BRCD) in December 2021, with the BRCD representing a new way of working between central and local government and regional partners. The investment package of investment will support the delivery of inclusive economic growth that delivers more and better jobs, a positive impact on the most deprived communities and a balanced spread of benefits across the region.**
- b) Completion of the Climate Change Risk Assessment with work ongoing to develop both council and city climate mitigation and adaptation plans, to establish an internal Climate Plan Programme Board and governance arrangements for the £1 million Climate Fund.**
- c) Approval of the Social Value Policy; Social Value Procurement Framework; and guidance for officers and for suppliers, which is due to be implemented by 1st June 2022.**
- d) Launch of the new updated Conflict of Interest and Gifts and Hospitality Policies and processes to provide clearer guidance for officers and easier access to complete the various forms to improve overall compliance with the policy.**
- e) The Council was the first public sector organisation in Northern Ireland to be awarded the Silver Diversity Mark in recognition of the commitment to promoting equality and diversity within the workforce.**
- f) Completion of the review of the ICT Security Strategy with work ongoing to implement audit recommendations relating to security awareness training, governance of cloud, hardware and software management and project management.**

3.2.3 The review and update confirms that arrangements were in place to address the principles of the Code and also identified 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 2022/23**

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:

- Ongoing implementation of the strategic reviews of Finance and Human Resources.
- As Accountable Body for the Belfast Region City Deal, the BCC BRCD team are supporting the development of a range of workstreams relating to BRCD Funding and Governance, including the Contract for Funding, Implementation Plan and Financial Plan, Governance, Assurance and Programme Management Framework.
- Plans to develop an Asset Management Strategy and Plan to improve / maximise the management of BCC assets.
- Whistleblowing policy is currently under review to take account of NIAO good practice guidance on Raising Concerns.
- Following postponement of work due to the pandemic, the implementation of a Corporate Policy Management process and system resumed in September 2021. This piece of work aims to create an accessible policy register for key corporate policies and an accompanying process to ensure that policies are both up to date, fit-for-purpose and working effectively in practice. The initial focus is on policies within Legal and Civic Services and HR.
- Development of the 2023/24 Efficiency Programme and programmes for future years.
- Implementation of the Neighbourhood Renewal Fund.

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- **Ongoing work to support the City and Community Recovery along with recovery of council services.**
- **Ongoing implementation of the Council's proposed actions in response to the Coll Report recommendations.**

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.

Draft Annual Governance Statement 2022

The Head of AGRS provided the Audit and Risk Panel with the Annual Governance Statement for the Council for 2021/2022, for its consideration and inclusion in the unaudited statement of accounts which would be certified by the Chief Financial Officer by 30th June, 2022, and then subject to NIAO audit.

The Members were advised that the Annual Governance Statement was an important document and that it was important that the Panel was fully aware of its contents. She explained that the disclosures in the statement were based upon consideration of the Council's corporate risks, significant events/issues and disclosures made by Chief Officers in their individual annual assurance statements. The Annual Governance Statement also incorporated a summary of the Head of Audit, Governance and Risk Service's annual assurance statement.

The Head of AGRS reported that, as required, the Statement for the year 2021/2022, had been prepared in line with the Code of Practice on Local Authority Accounting in the UK 2021/2022 accounts and was consistent with the principles of the new CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016 edition). The Annual Governance Statement explained how the Council had complied with requirements of the Local Government (Accounts and Audit) Regulations (Northern Ireland 2015) in relation to the publication of an annual governance statement.

She advised the Panel that the Annual Government 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;
- the review of the effectiveness of the governance framework;
- an update on the significant governance issues disclosed at year-end 2021; and
- the significant governance issues to be disclosed for year-end 2022 and the action proposed to address them.

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In preparing the Annual Governance Statement AGRS had referred to the significant governance issues declared by senior management in their individual Annual Assurance Statements prepared in May 2022. The Annual Governance Statement would be incorporated into the unaudited statement of accounts and certified by the Chief Financial Officer by 30th June, 2022. It was subject to review by the LGA (NIAO) as part of its annual audit. Following the audit, the Statement, as part of the audited statement of accounts would be 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.

A Member stated that it would be worth highlighting that Port Health relied upon professionally qualified specialist staff to carry out its functions. The Head of AGRS agreed to add that into the draft Statement.

The Panel reviewed the draft Annual Governance Statement for the Council for 2021/2022 and approved the disclosure of the significant governance issues contained within it.

AGRS Progress Report May 2022

The AGRS Manager provided the Panel with information on the key findings from the eight assurance audits and reviews which had been finalised during the period March – May 2022. He explained that one audit relating to an audit of the risk action plan in place for the corporate risk on the strength of relationship between Members and officers had received an assurance opinion of substantial; that four audits relating to Grants, Event Safety, Corporate Risk Review – Organisational & Operational Recovery and Economic Development, had resulted in an assurance opinion of some improvement required and; he provided more detail on the three audits relating to Fleet Management, Developer contributions and Income / Accounts Receivable that had received an assurance opinion of major improvement required. He explained that management had accepted the recommendations made by AGRS and had provided action officers and implementation dates. The Members were advised that the implementation of the agreed actions would be tracked through the AGRS Recommendations Monitoring process.

The Panel was provided with an update on the assurance and advisory work that had been undertaken regarding key corporate systems and programmes, including the new accounting system and an update regarding the Belfast Region City Deal.

He explained that audits of the following were currently in progress:

- Absence Management (draft report prepared)
- Treasury Management (draft report prepared)
- Corporate Risk Review – City and Community Recovery (draft report prepared)
- Corporate Risk Review – Information Governance (draft report prepared)
- Corporate Risk Review – Financial Position of the Council (fieldwork)
- City Regeneration & Development (fieldwork)
- Continuous Improvement 22/23 (planning / fieldwork)

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- Waste Management Operations 22/23 (fieldwork)
- Visit Belfast (fieldwork)

He advised the Members that AGRS continued to provide advisory and consultancy services to management on a variety of matters including general advice on the key areas that management should consider when designing grant programmes that were not being processed through the Council's Central Grants Unit (CGU) such as funding criteria, assessment processes, eligibility and due diligence and monitoring and evaluation.

At the request of a Member, the Panel agreed that the Directors with responsibility for those areas deemed "major improvement needed" be requested to attend the next meeting of the Audit and Risk Panel in order to outline the actions that they were taking to address the concerns which had been raised in the internal audits.

In response to a further Member's query regarding grant funding provided to support communities and businesses during disruption caused by the Covid-19 pandemic, the AGRS Manager explained that he would liaise with the Directors in City and Neighbourhood Services in order to seek an update on the monitoring and verification work and provide an update at the Panel's next meeting.

A further Member stated that the biggest risk to the Council, in respect of the Income/Accounts Receivable audit, would be reputational damage and asked that the relevant manager is mindful of this when implementing the audit recommendation.

The Panel noted the update which had been provided.

Update on the Coll Report Recommendations

The Panel noted the contents of a report providing a quarterly update on the progress of the agreed actions arising from the recommendations contained within Section 6 of Mr. Peter Coll QC's independent investigation into events at Roselawn Cemetery on 30th June, 2020.

**Update on the Policy Compliance Project /
Conflict of Interest and Gifts and Hospitality Policy**

The Policy, Research and Compliance Officer, presented the Panel with the undernoted report.

"1.0 Purpose of Report or Summary of Main Issues

1.1 The purpose of this report is update the Audit & Risk Panel on progress in respect of:

- 1) the Policy Compliance review**
- 2) the new combined Conflict of Interest and Gifts and Hospitality Policy**

2.0 Recommendations

2.1 It is recommended that the Audit & Risk Panel notes:

- progress to date in respect of both items
- the next steps in respect of both items

3.0 Main report

3.1 Policy Compliance - Update

An update on the policy compliance project was brought to Audit & Risk Panel in March 2022. The project was split into two phases, Phase 1 consisted of a broad benchmarking exercise, the creation of a register of key council policies and the creation of a policy to manage compliance.

Phase 2 had been paused during the pandemic but recommenced late last year and is comprised of an initial review of our corporate policies to ensure that they are both fit for purpose and include arrangements to help us monitor compliance with our obligations.

Agreed approach to policy review and compliance

Review - Senior officers will be responsible for reviewing their respective corporate policies according to an agreed timetable which will be dependent on the policy being reviewed. The period between reviews will be dependent on the specific policy with some policies perhaps requiring an annual review whilst others may require less frequent reviews, or will be reviewed as and when dictated by external factors such as changes to legislation.

Compliance - The senior officer responsible (usually a Chief Officer/Director) for each corporate policy will sign off an annual compliance statement. The compliance statements are prepared after consultation between the Policy, Research and Compliance Officer and the relevant officers within the policy area and will take into account oversight by external bodies of the council's compliance.

The compliance statements are designed to provide assurance that our corporate policies are fit-for-purpose

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and provide the necessary framework for the council to comply with our legal and statutory obligations.

The Policy, Research and Compliance Officers will co-ordinate the compilation of these compliance statements and provide a challenge function to the content.

The table below shows the updated implementation plan for Phase 2.

As of May 2022, compliance statements have been prepared for 28 of the estimated 43 policies. Legal and Civic Services (16 policies), Corporate HR (8 policies) and AGRS (4 policies). The next stage in the implementation will be to seek completion of compliance statements for the remaining 15 policies.

Actions	Target implementation date
Re-engage with departments on any additional policies to be added to the register	End Nov 2021 DONE
Re-commence work with relevant officers on the review of their respective policies – starting with Legal and Civic Services and HR (to be completed by end November 2021)	End Nov 2021 DONE
Bring a quarterly assurance report to the Audit Assurance Board on the review status of the policies	3 Mar 2022 DONE
Engage with relevant officers and secure completion of compliance statements for the remaining 15 policies	End Sep 2022
Work with internal communications on the roll-out of the policy register on Interlink	End Sep 2022

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Bring an annual assurance report to the Audit Assurance Board based on the annual compliance statements	End Sep 2022
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3.2 Conflict of Interest and Gifts and Hospitality Policy - Update

The internal audit exercise indicated that significant improvements were required to ensure that there is a satisfactory level of compliance with respect to both policies and the procedures required to be followed when registering a conflict of interest or recording acceptance or provision of gifts and/or hospitality. It was proposed that a single, simplified policy will make it easier for staff to make declarations with respect to both potential conflicts of interest and in the acceptance or provision of gifts and hospitality. An update on the new policy was brought to Audit & Risk Panel in March 2022.

Update on actions taken to date

The audit report highlighted a number of issues which the roll out of the new policy will seek to address. A version of the new policy was brought for consultation to JNCC Management Side on 16 June 2021, was updated following consideration of comments from both Management Side and AGRS colleagues and was then brought back to full JNCC on 23 August for further consultation. The Trade Union Group (TUG) then considered the draft policy and made a number of recommendations which were considered and the policy revised where appropriate. TU side indicated that had no issues with the policy as revised and that no further consultation is required. The final policy was approved at Full JNCC and by CMT in December 2021.

The new policy officially went live on 1 April 2022. This provided a clear cut off date for staff to switch from using the old policies and forms to using the new one. AGRS recommended this date as it coincides with the start of the financial year.

Training on the new policy took place with Nominated Officers within each Department during March 2022 in advance of the policy going live on 1 April. The new policy was also communicated to all staff via Interlink in

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March along with links to the policy and all of the associated forms.

The attached appendix 1 provides an outline of each agreed audit action, the timeframe for implementation and a short update on the progress made to date to implement each of the actions.

3.3 Next steps

Policy Compliance

The Policy, Research and Compliance Officers are currently engaging with relevant officers on the review of their respective policies. A quarterly assurance report will be brought to Audit & Risk Panel in September 2022 outlining the status of this review (including the number of policies which have been reviewed and for which compliance statements have been signed off).

Conflict of Interest and Gifts and Hospitality Policy

The majority of council departments plan to run their first six monthly compliance exercise in April/May following the introduction of the new policy on 1 April 2022. The Governance and Compliance unit will carry out a review of the six monthly compliance exercises across all departments during June /July with a view to addressing any issues which arise accordingly.

Further update reports will be brought to CMT and the Audit & Risk Panel on a 6 monthly basis in line with the COIGH departmental reporting timetable.

3.4 Financial & Resource Implications

No financial implications

3.5 Equality or Good Relations Implications/Rural Needs Implications

Any good relations or equality implications will be identified as part of the Council's screening process."

The Panel noted the progress which had been made to date and the proposed next steps in respect of both items.

Performance Improvement Update

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The Deputy Chief Executive and Director of Finance and Resources presented the Panel with the undernoted report:

“1.0 Purpose of Report

1.1 The purpose of this paper is to:

- present to the Panel the year-end corporate Performance Assessment for 2021-22

2.0 Recommendations

2.1 The Panel is asked to:

- Review and approve the year-end corporate Performance Assessment 2021-22.
- Note the actions to address NIAO 2020-21 findings

3.0 Purpose of Report or Summary of Main issues

Background

3.1 Part 12 of the 2014 Local Government (NI) Act and the associated guidance requires that we:

- produce a *forward looking* Annual Improvement Plan by 30th June (i.e. Corporate Plan) to take effect from April each financial year which reflects the Council’s contribution to the Community Plan (Belfast Agenda).
- produce a *retrospective* Performance Improvement Assessment by September 30th detailing progress against the Improvement Objectives, examples of other forms of continuous improvement and any performance indicators included within the previous year’s Corporate Plan.

3.2 Year End Corporate Performance Assessment

As required, the Performance Unit within the Finance and Resources Directorate has now produced a Year End Operational Update for 2021-22 (available at Appendix 1 on mod.gov).

Progress against all the objectives is in the most part on target with only a few milestones that have been slightly

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delayed, ragged amber or red, with the explanations contained within the report. These activities will be reviewed and considered as part of plans for 2022-23.

3.3 Following June SP&R Committee the content of the Year End Operational Update will be used to compile the year end Corporate Performance Assessment report for 2021-22 which, at this stage, is still required to be published by 30 September 2020.

3.4 **NIAO audit and assessment 2020-21**

At the March A&RP the Panel were asked to approve the 2020- 1 NIAO Performance Assessment report. The Auditor certified the improvement audit and assessment for the Council with a standard, unqualified opinion. The progress to the 2020-21 NIAO proposals improvement table can be found at Appendix 2 on mod.gov.

3.5 **Performance Improvement Plan 2022-23**

Part 12 of the Local Government (NI) Act requires Councils to agree improvement objectives on an annual basis and publish these in the form of an Improvement Plan. We have a statutory duty to agree improvement objectives and produce an annual improvement plan by 30th June each year. The Panel were provided with an update on the next steps on the development of the 2022-23 plan at their meeting in March 2022. Work is progressing on finalising our Improvement Plan 2022/23 and this will be brought to the June meeting of the SP&R Committee for consideration and approval.

3.6 **Financial and Resource Implications**

None associated with this report

3.7 **Equality and Good Relations Implications**

None associated with this report.”

The Panel adopted the recommendations.

**Annual report from Audit and Risk Panel to
Strategic Policy and Resources Committee**

The Head of AGRS advised the Panel of the following key issues that it had considered and discussed during the 2021/22 financial year, the assurances

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received and the areas requiring attention, which the Strategic Policy and Resources Committee would be asked to note at its next meeting:

“3.0 Summary of the work of the Audit and Risk Panel in 2021/22

3.1 In March 2021 the Panel approved the internal audit strategy and plan for the 2021/22 year. The plan was designed to allow AGRS to provide independent assurance over the councils changed risk, control and governance frameworks, which is of particular importance during the pandemic response and recovery. The plan covered:

- **Key financial systems / income generating activity**
- **Key programmes / projects**
- **Management of key corporate risks**
- **Meeting external grant funding requirements**
- **Governance arrangements**

3.2 During 2021/22, the Panel met four times over MS Teams. At these meetings the Panel considered progress reports on delivery of audit plans and issues arising from audit activity, including the findings, assurance levels and recommendations arising from audit work and the progress being made to implement audit recommendations. It also received regular updates on:

- **the Council’s financial position, as set out in its financial statements**
- **reports from the Council’s external auditors**
- **risk management**
- **business continuity**
- **fraud, financial irregularity and whistleblowing / raising concerns investigations**
- **governance related matters**
- **financial control**
- **health and safety**
- **performance management**
- **staff attendance.**

3.3 The key assurances that the Panel received are as follows:

- **the Council’s financial statements and annual governance statement, as prepared by the Deputy Chief Executive and Director of Finance**

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and Resources and their team; this provided a management assurance on the Council's financial position

- the audited accounts and the associated external audit annual letters for 2020/21 (providing an opinion on the accounts) and report to those charged with governance (setting out control issues arising from the annual external audit), as prepared and presented by the Northern Ireland Audit Office. This provided an external assurance on the Council's financial position for 2020/21. (The accounts for 2021/22 are to be prepared by the end of June 2022)
- the Head of Audit, Governance and Risk Service's annual assurance statement on the adequacy and effectiveness of the Council's risk management, control and governance arrangements, based on the findings of audit work completed throughout the year.

3.4 The Panel received assurance from the NIAO regarding their performance improvement audit and assessment for the Council which resulted in a standard, unqualified opinion. The Panel also received regular reports on the development of the Improvement Plan in line with Part 12 of the Local Government (NI) Act.

3.5 Where areas for improvement have been identified, these have been reported and implementation of agreed recommendations is actively monitored and reported back to the Panel. The Panel has, on occasions, raised issues where either audit reports have identified significant issues or progress against recommendations has not been satisfactory, with Directors asked, where necessary, to attend the Panel and provide further explanation. The key areas considered during 2021/22 include:

- internal audits of key areas such as Accounts Payable, Payroll, Procurement and Contract Management, Externally Funded Projects, Grants, Fleet Management, Event Safety, Income and Accounts Receivable and Developer Contributions
- audits of the management of corporate risks such as Waste Management, City Regeneration and Development, Safeguarding and Organisational and Operational Recovery

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- **assurance and advisory work over key programmes including the project to replace the Accounting System, the Belfast Region City Deal programme, the new HR system, the Planning Portal and the Customer Focus Programme**

3.6 The Audit and Risk Panel have also received updates during the year on the Council's risk management arrangements, including reports on the management of the Council's key corporate risks.

Financial & Resource Implications

None

Equality or Good Relations Implications/Rural Needs Assessment

None.”

A Member stated that it should be highlighted to the Strategic Policy and Resources Committee that if the Audit and Risk Panel made recommendations that it was vital that the actions be implemented.

With that addition, the Panel agreed that the summary should be submitted to the Strategic Policy and Resources Committee.

Date of next meeting

The Panel noted that it had agreed that it would next meet on Tuesday, 13th September, 2022. It was also noted that the Members of the Panel would meet, without officers present, 15 minutes before the meeting.

Chairperson