

Audit and Risk Panel

Tuesday, 12th September, 2023

MEETING OF AUDIT AND RISK PANEL

HELD IN THE CONOR ROOM AND
REMOTELY VIA MICROSOFT TEAMS

Members present: Councillor R. McLaughlin (Chairperson);
Alderman Rodgers;
Councillors McKeown and Verner; and
Ms. G. Fahy (External Member).

In attendance: Ms. S. McNicholl, Deputy Chief Executive/Director of
Corporate Services;
Ms. N. Largey, Interim City Solicitor/Director of Legal
and Civic Services;
Mr. T. Wallace, Director of Finance;
Ms. C. O'Prey, Head of Audit, Governance and Risk
Services;
Ms. H. Lyons, Corporate Finance Manager;
Mr. L. Mulholland, Audit, Governance and Risk
Services Manager;
Ms. S. Williams, Governance and Compliance
Manager; and
Mr. H. Downey, Democratic Services Officer.

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

Pre-Meeting

The Audit and Risk Panel met privately with the Head of Audit, Governance and Risk Services prior to the meeting commencing, to enable the Panel members to raise any concerns around the work of internal audit or the Council's risk, control and governance arrangements.

Apologies

Apologies were reported on behalf of the Deputy Lord Mayor (Councillor Groogan) and Councillor Hanvey.

Minutes

The minutes of the meeting of 13th June were approved by the Panel.

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Declarations of Interest

Ms. G. Fahy declared an interest in relation to agenda item 11 – Recruitment of Non-Executive Member/Member Training, in that it related to the appointment of her replacement on the Panel and left the meeting before it was considered.

Welcome/Expression of Thanks

The Chairperson welcomed Ms. Sharon McNicholl, who had recently returned to the Council to take up the role of Deputy Chief Executive/Director of Corporate Services, to her first meeting of the Panel.

He then pointed out that this would be the last meeting to be attended by Ms. Geraldine Fahy, the external member, as her contract was due to expire in November, and, on behalf of the Panel, thanked her for the significant contribution which she had made over the past three years.

Absence Rates - Quarter 1 2022-23

The Deputy Chief Executive/Director of Corporate Services drew the Panel's attention to 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 1, April – June 2023.

2.0 Recommendation

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

3.0 Main Report

3.1 Key Corporate Indicators:

At the end of quarter 1:

- The Council's average sickness absence rate stands at 3.88 days per FTE, a decrease of 0.08 days compared to absence for the same period last year (3.96);**
- A total of 8184.47 working days was lost due to sickness absence. This accounted for 6.9% of the total working days available; and**

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- The table below provides a summary of how Departments are performing against the target and states that three Departments did not meet the corporate target for quarter one (3.71 days).

End of year target	14.85					
Q1 target	3.71					
Department	Number of employees (FTE)	Total days lost (FTE)	Actual absence per FTE	Variance	% of workforce	% of absence
City and Neighbourhood Services	1180.25	5539.44	4.69	0.98	55.98%	67.68%
City and Organisational Strategy	126.9	153.24	1.21	-2.50	6.02%	1.87%
Finance and Resources	187.63	360.27	1.92	-1.79	8.90%	4.40%
Legal and Civic Services	160.74	671.51	4.18	0.47	7.62%	8.20%
Place and Economy	330.53	712.72	2.16	-1.55	15.68%	8.71%
Physical Programmes	122.34	747.29	6.11	2.40	5.80%	9.13%
Grand Total	2108.39	8184.47	3.88	0.17		

3.2 Additional Absence Information:

- There has been an increase in the number of staff with no recorded absence this period (74.03%) compared to the same time last year (70.91%);
- There has been an increase in absence classified as long term (20+ days) this year (6056.27 days) compared to the same time last year (4994.28 days);
- Council's average sickness absence rate further reduces to 3.75 days per FTE when COVID-19 related absences are deducted;
- The number of days lost per full time equivalent decreased in quarter one (3.88 days) when compared to quarter four (4.33 days). This decrease is illustrated in figure 1.
- Depression/anxiety/stress (32% of total days lost) and musculo-skeletal (26% of total days lost) continue to be the top two reasons for absence. (Refer to Figure 2 for further information);
- Between April and June 2023, 595 employees were off due to sickness absence (accounting for 8184.47 days). Discretion was applied to 67 of these employees (11%) and their absence

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accounted for 1717.97 days (approximately 21% of the total absence for quarter one). (Refer to Figure 3 for further information);

- A total of 134 cases were identified as having compliance related issues. (Refer to Figure 4 for further information);
- Approximately 33% of absence (2674.64 days) is recorded as disability related, of which, 70% was managed as long term. Depression / Anxiety (22.21%), Osteoarthritis (17.55%) and Cancer (10.49%) accounted for approximately half (50.25%) of all disability related absence days. (Refer to Figure 5 for further information);
- Between April and June 2023, a total of 59 employees were recorded as absent due to COVID and this accounted for 3.3% of the total absence in quarter one.
- 10 employees met the trigger for a Stage4/FAH in quarter one
 - 2 employees resigned prior to the hearings taking place
 - Discretion was applied to 6 of these cases not to progress to a FAH. This was due to 3 employees returning to work at month six, another three
 - employees were off due to disability related absence and returned to work shortly after month six.
 - 2 cases did not progress to a case review stage, and therefore could not progress to a FAH, due to non-compliant reasons.
 - In addition to the above, 7 employees were dismissed on the grounds of permanent ill health during quarter one.

3.3 Update on Department Improvement Plans and Absence Dashboard:

All Departments returned their progress reports for the quarter one improvement plans. However, they did not

provide detail on what specific action(s) the department took in quarter one to reduce sickness absence. The departments will use the quarter one statistics as a basis to provide specific detail on action(s) the department has taken to reduce sickness absence and this will be reported in Quarter Two.

Departments have been reminded that the non-compliance issues raised, during the fortnightly compliance meetings, must be presented at their monthly DMTs in the format of the agreed absence dashboard.

3.4 Health and Wellbeing Strategy and Initiatives:

The Health and Wellbeing Strategy and Action Plan has been reviewed and revised and is currently with trade unions for consultation purposes. It is expected that the strategy will be launched following the People Strategy launch in Autumn 2023. The Health and Wellbeing Strategy Working Group, with cross departmental and trade union representation was involved in the development of the strategy and action plan, and it will continue to meet on a quarterly basis to monitor and review implementation. It is also intended that a health and wellbeing champion network is established to help drive the strategy and increase participation in planned activities and initiatives, in particular participation of frontline staff.

The Strategy will be presented to members when finalised.

Activity in quarter 1 has included:

Training:

- 27 employees have attended Positive Mental Health
- 29 employees have attended Dementia Awareness
- 10 employees have attended Stress awareness for Managers

Other support/initiatives:

- Meeting of Menopause Support Group
- Lunchtime Mindfulness sessions

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- **Active travel challenge**
- **Men's Health Week - comms and awareness**
- **Staywell - health and wellbeing support and information via staff intranet**

Learning and Development Support

To support managers in managing absence in their Departments, Attendance Management Training will commence in October. There will be two programmes rolled out, one for training on our Attendance Policy and one focusing on supporting managers to handle more complex absence cases. Training was last carried out in 2018-2019.

Further support will also be offered through training courses on Dealing with Difficult Conversations, Personal Resilience and Wellbeing and Conflict Resolution which will be added to the ongoing Corporate Training Programme for managers to attend throughout the year.

4.0 Resource Implications

4.1 Directors are asked to ensure that:

- **attendance management continues to be a priority 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.**

5.0 Equality and Good Relations Implications

- 5.1 Approximately 33% of absence (8535.31 days) is recorded as disability related. The use of discretion and reasonable adjustments is considered in such cases.**

Figure 1

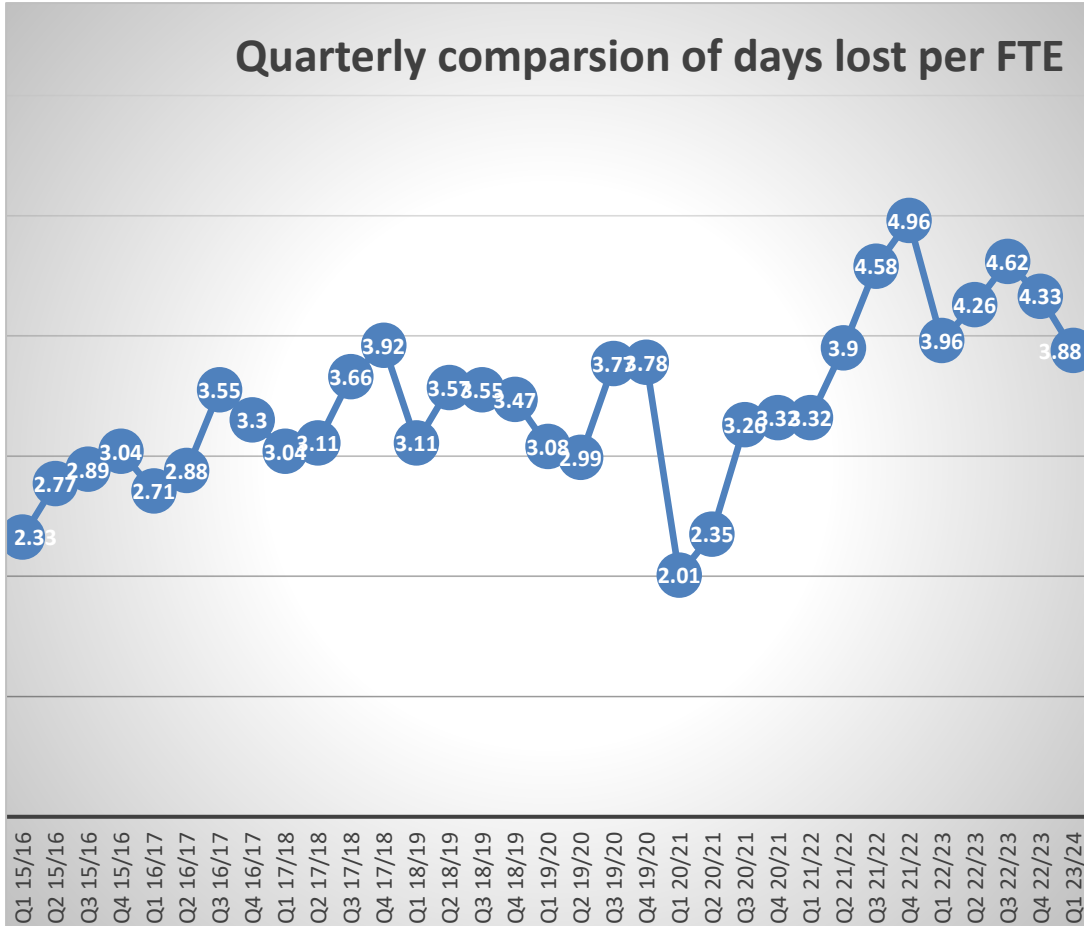


Figure 2

Reason for absence	Days lost (FTE)	% of absence
Stress, depression, anxiety	2648.89	32.36%
Musculo-skeletal	2133.56	26.07%
Stomach, digestive, etc	889.18	10.86%
Heart, blood press, circ, etc	482.58	5.90%
Neurological, inc headaches	348.52	4.26%
Chest and respiratory	333.91	4.08%
Infections, inc colds and flu	311.44	3.81%
Eye, ear, nose and mouth/dental	308.25	3.77%
Other	275.1	3.36%
Infections, Covid19	270.14	3.30%
Genito-urinary, inc menstrual	143.26	1.75%
Pregnancy related	39.64	0.48%
Grand Total	8184.47	

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Figure 3

Reason for Discretion	Total days	% of total
Planned Surgery and recovery	349.76	20.36%
Hospitalisation	223.24	12.99%
Disability	220.48	12.83%
Bereavement	209.37	12.19%
Work related stress	189.6	11.04%
Broken bone(s)	100.33	5.84%
Mental Health	79.28	4.61%
Redeployment	60	3.49%
Non-compliant	55	3.20%
Unresolved employee relation issues	54.65	3.18%
Industrial Injury	49.59	2.89%
Persistent absence; after a period of long term absence where an underlying condition has been identified.	46.76	2.72%
Previous long service and clear record	37.91	2.21%
Maternity	24	1.40%
Emergency domestic responsibilities	18	1.05%
Total days lost in quarter one (April to June 2023)	1717.97	
% of total days lost where discretion applied in quarter one	20.99%	
Average days off per occurrence of discretion in quarter one	67	

Figure 4

Compliance Issues

Department	Totals
City and Neighbourhood Services	105
City and Organisational Strategy	0
Finance and Resources	7
Legal and Civic Services	5
Physical Programmes	5
Place and Economy	12
Totals	134

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Figure 5

Actual Disability	Total days	% of total disability related absence
Depression / Anxiety / Mental health conditions	767.8	28.71%
Osteoarthritis	366.59	13.71%
Chronic back condition	231.1	8.64%
Cancer	194.59	7.28%
Chronic cardiac condition	96.28	3.60%
Chronic gastrointestinal condition	95	3.55%
Arthritis	76.49	2.86%
Chronic heart condition	68.04	2.54%
Diabetes	64.45	2.41%
Detached Retina	60	2.24%
Brain Aneurysm	59.59	2.23%
Long Covid	59.59	2.23%
Graves Disease	58	2.17%
Rheumatoid Arthritis	55	2.06%
Lymphoma	49.93	1.87%
Ischemic heart disease	37.97	1.42%
Chronic eye condition	37.97	1.42%
Chronic leg condition	32.03	1.20%
Stroke	31.78	1.19%
Other*	232.44	8.69%
Total	2674.64	
Total absence end of quarter one	8184.47	
Disability related absence in quarter one	2674.64	
% if absence lost due to disability	32.68%	
% of disability related absence managed as LTA	69.38%	

(*Other includes a total of 15 conditions that each individually account for less than 1% of total disability related absence.)

The Panel noted the contents of the report and agreed that the report for the next quarter provide information on, firstly, the impact on absence rates of the enhanced leave arrangements which had been implemented earlier in the year and, secondly, on the forthcoming Local Government Auditor's report, in terms of the benchmarking of absence rates with other councils/organisations.

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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 30th June, 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 38% and 54% respectively.

In terms of accident/incident reporting, there had, in quarter 1, been 20 employee accidents, 9 non-employee accidents, 8 RIDDOR accidents and 9 incidents of work-related violence.

She concluded by providing details of the information which had, during quarter 1, been forwarded to the Health and Safety Executive Northern Ireland in response to enquiries/correspondence.

During discussion, several Members highlighted the need to address as a matter of urgency the significant number of Health and Safety and Fire Safety Actions which had yet to be implemented.

In response, the Interim City Solicitor/Director of Legal and Civic Services confirmed that it was the intention to present to the Corporate Management Team, on a regular basis, a report on those outstanding actions, to allow for additional monitoring.

The Panel noted the corporate health and safety performance and activities for the quarter ending on 30th June, 2023 and agreed:

- i. that, in future, the information provided on Health and Safety and Fire Safety Actions include the date on which each action had been identified; and
- ii. that a report be submitted to its meeting in March providing details of the number of recent legal claims arising from employee and non-employee accidents.

Financial Statement of Accounts 2022/23

The Director of Finance 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 present to the Audit and Risk Panel the Statement of Accounts of the Council, including the Annual Governance Statement, for the period ending on 31st March, 2023.**
- 1.2 The Statement of Accounts is an important element of the Council's overall corporate governance framework as they provide assurance to Members and ratepayers on the stewardship of the council's finances and its financial position.**
- 1.3 The Statement of Accounts for the year ended 31st March 2023 have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 based on International Financial Reporting Standards and the Department for the Communities Accounts Direction, Circular LG 07/23 dated 31st January, 2023 and 10th February, 2023.**
- 1.4 I can confirm that the Statement of Accounts for the year ended 31st March, 2023 has been prepared in the form directed by the Department for Communities and, in my opinion, the Statement of Accounts give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.**

2.0 Recommendations

- 2.1 The Panel is asked to note the Council's Statement of Accounts and incorporated Annual Governance Statement for the year ended 31st March, 2023. The audit of these accounts by the Northern Ireland Audit Office is still ongoing, as this is the first year of NIAO's implementation of a new audit methodology. The Audit Office representative will provide a verbal update at this meeting on the status of the audit of these accounts and the draft Report To Those Charged with Governance for 2022/23.**
- 2.2 In prior years, the Panel is asked to recommend that Strategic Policy and Resource Committee approve the**

Statement of Accounts and Annual Governance Statement, however, this year, any recommendation would now be subject to the outcome of the verbal update being provided by NIAO at this meeting.

It is noted the legislative requirements under Regulation 8 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the requirement on the Council to publish these accounts no later than 30 September.

3.0 Main Report

3.1 Audit Opinion

We await an update on the likely completion of the local government audit for the period ending 31st March 2023 and confirmation of the Local Government Auditor's opinion that:

- the financial statements give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23, of the financial position of Belfast City Council, as at 31 March 2023, and its income and expenditure for the year then ended; and**
- the statement of accounts have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities directions issued thereunder; and**
- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Department for Communities directions made under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015; and**
- the information given in the Narrative Report for the financial year ended 31st March 2023 is consistent with the financial statements.**

3.2 Reserves

General Fund

The credit balance on the General Fund has decreased to £58.8m (of which £44.8m relates to specified

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reserves). The movement on the reserves balance is summarised in the Table below:

Summary of Reserves Position

Opening Balance	£62.2m
In year movement in reserves	<u>£3.4m</u>
Closing Balance	£58.8m
Specified Reserves at year end	<u>£44.8m</u>
Balance Available	<u>£14m</u>

3.3 Capital Fund £15,096,990

The Capital Fund is made up of the Belfast Investment Fund (£4,638,532). The fund has been created to support key partnership projects to regenerate Belfast and help lever substantial funds from other sources, the Local Investment Fund (£579,545) to fund smaller local regeneration projects, the City Centre Investment Fund (£8,237,263) to support the Belfast City Centre Regeneration Investment Plans, the Social Outcomes Fund (£1,641,650) to support City Centre projects which might not generate a direct financial return but would enhance the overall City Centre offer and support and attraction of investment.

3.4 Neighbourhood Regeneration Fund £10,000,000

This fund was created from the Belfast Investment Fund, to support neighbourhood regeneration and tourism projects in local neighbourhoods.

3.5 Leisure Mobilisation Fund £611,877

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

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3.6 Capital Receipts Reserve £642,458

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

3.7 Other Fund Balances and Reserves £2,620,360

This relates to the Election Reserve (£913,390) which has been set up to smooth the cost of running council elections, the BWUH Subvention Fund (£909,283) to support national and international organisations in bringing their conferences to Belfast and the BWUH Sinking Fund (£797,687) to support planned maintenance and future capital works at the new exhibition centre.

3.8 Debt

The overall level of trade debtors was impacted by the pandemic and has now stabilised with overall debt levels now standing at £4.3m at 31st March, 2023, compared to £7m at 31st March, 2022. This decrease in debt levels from prior year is mainly due to resuming full debt management activities. An analysis of trade debtors, inclusive of VAT, for the last two years is shown below:

	31st March 2023	31st March 2022
Less than three months	£3,129,548	£5,450,710
Three to one year	£482,337	£1,070,718
More than one year	£720,939	£553,310
Total	£4,332,824	£7,074,738

3.9 Creditors

The Department for Communities has set councils a target of paying invoices within 30 days. During the year the Council paid 86,459 invoices totalling £180,029,594.

The average time taken to pay creditor invoices was 17 days for the year ended 31st March, 2023. The Council paid 70,303 invoices within 10 days, 79,378 invoices within 30 days, and 7,081 invoices outside of 30 days. The council endeavours to process invoices as quickly

as possible and has an improvement plan to support this process.

3.10 Annual Governance Statement

The Statement of Accounts include the Annual Governance Statement for the year 2022/23, which has been prepared in line with the Accounts Directive provided by the Department for Communities, NIAO guidance and is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'.

Specifically the AGS sets out:

- scope of responsibility
- the purpose of the governance framework
- the governance framework in place
- review of effectiveness
- update on the significant governance issues declared last year
- significant governance issues for current year

3.11 The Annual Governance Statement is approved by the Chair of the Strategic Policy and Resources and the Chief Executive. It is subject to review by the LGA (NIAO) as part of its annual audit.

3.12 Financial and Resource Implications

None

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

None”

The Panel noted the Statement of Accounts and incorporated Annual Governance Statement for the year ended 31st March, 2023 and commended the Corporate Finance Manager and her team on their work. The Panel noted also that it would, as the next item on the agenda, receive from the Northern Ireland Audit Office’s representative an update on the status of the audit of the accounts and the draft Report to Those Charged with Governance for 2022/23.

**Northern Ireland Audit Office - Draft Report
To Those Charged With Governance**

Mr. M. Heery, Audit Manager, informed the Panel that a delay caused by the implementation of a new audit methodology had meant that the Northern Ireland Audit Office had been unable to produce a draft Report to those Charge with Governance in

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advance of this meeting. He confirmed that the audit of the Council's Financial Statement of Accounts for 2022/23 was now at an advanced stage and that no major issues had been identified to date. Staff from the Northern Ireland Audit Office were working with their counterparts in the Council to resolve some minor issues and it was anticipated that a draft report would be forwarded to the Council within the next week.

The Panel noted the information which had been provided and agreed that a copy of the draft Report to Those Charged with Governance be circulated, upon receipt, to the Panel to allow for it to be considered in advance of the accounts being presented to the Strategic Policy and Resources Committee on 22nd September for approval.

Update on Corporate Risk Management

The Head of Audit, Governance and Risk Services submitted for the Panel's consideration a report on the corporate risk dashboard, which summarised the key updates from the risk reviews for the quarter ending 30th June, 2023. The report provided also an update on compliance with the Risk Strategy, based on assurance statements completed by senior management for the quarter and on business continuity management arrangements.

The Panel:

- i. noted the corporate risk management dashboard for the quarter ending on 30th June 2023 and:
 - a. approved the proposed change to the risk description for the People Strategy, as set out in the report; and
 - b. agreed to close the risk stating that "We fail to secure the adoption of the Local Development Plan Strategy";
- ii. noted the assurances from senior management regarding compliance with the Risk Strategy, based on the assurance statements for the quarter ending on 30th June, 2023;
- iii. noted the current position regarding the review and update of business continuity plans for critical services;
- iv. agreed that the risk contained within the corporate risk dashboard relating to the Delivery of Residential Waste Collection/Street Cleansing Functions/Bereavement Services, be amended to allow for each risk to be rated and addressed separately;
- v. agreed that a review be undertaken in advance of its next meeting of the 102 overview actions outlined within the corporate risk dashboard and that management be requested to set new realistic implementation dates, against which progress would be monitored;

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- vi. agreed that a report be submitted to its next meeting on the original implementation date and the new realistic implementation date for each of the corporate risk actions; and
- vii. agreed that an update be submitted to its next meeting on the progress being made to develop the business continuity management plan for Property Maintenance.

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 June to August, 2023.

He summarised the outcome of the nine assignments which had been finalised during that period, namely, the Belfast Agenda, the Neighbourhood Regeneration Fund, Budgetary Control and Financial Reporting, Port Health Corporate Risk – Internal Audit of the Management of this Risk, The People Strategy Corporate Risk - Internal Audit of the Management of this Risk, Fuel Procedures, the Labour Market Partnership, Visit Belfast – Follow up on High Priority Actions and Year-End Stock Counts and Fuel Reconciliation. In terms of progress against delivery of the 2023/24 audit plan, 38% of planned activity was underway.

He went on to point out that the assurance and advisory work on key corporate systems and programmes which had been undertaken during the period related primarily to the new accounting system and provided an update on the status of audits being undertaken currently.

The Audit, Governance and Risk Services Manager then informed the Panel that the Service was continuing to liaise with Departments on a number of ongoing investigation cases and provided details of the investigation approach and progress to date resulting from the data matches which the Council had, in February, received in response to the 2022/23 National Fraud Initiative exercise. He then provided information on the advice and consultancy services which were provided to management and added that Departments were, on a regular basis, provided with a quarterly dashboard of all open actions to enable them to track progress towards implementation, as part of their management processes. In addition, Audit, Governance and Risk Services carried out, twice yearly, a comprehensive validation/monitoring exercise, the most recent of which had been completed in July/August 2023 and would be reported to the Panel later in the meeting.

The Panel noted the information which had been provided, stressed the importance of the timely implementation of agreed audit actions and agreed, in terms of those audits where recommendations were not being addressed, that it reserve the right to invite the relevant Director/s to attend a future meeting.

Update on Recommendations Monitor

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 The Audit Assurance Board / Audit and Risk Panel require assurance that agreed audit recommendations are being implemented. The purpose of this report is to provide the Board / Audit and Risk Panel with an update on the implementation of agreed audit actions following our recent Recommendations Monitoring exercise.

2.0 Recommendation

2.1 The Panel is requested to note the update on the progress made by management to implement audit recommendations and the areas where further action is required.

3.0 Main Report

Key Issues

3.1 Actions (recommendations) agreed as part of AGRS and NIAO work, along with the names of the action owners and implementation dates are recorded on Pentana, the Council's action tracking system. Council officers have access to this system to provide updates on the progress being made to implement these actions and AGRS usually undertakes independent monitoring and validation exercises on the progress towards implementation of these actions twice a year.

3.2 The previous validation exercise was undertaken and reported in November / December 2022.

3.3 A full validation exercise was completed again recently and included a review of all audit recommendations that were open as at the end of June, 2023.

3.4 In previous years, recommendations monitor exercises tended to focus only on 'outstanding actions', i.e. those actions which had passed their original implementation date. However, in line with the previous exercise reported in November / December 2022, we have examined all actions, regardless of priority or due status. This more complete analysis gives Members and

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management a more holistic representation of all open audit actions across the Council and allows us to present a more complete analysis of actions which have been implemented, as well as those which remain outstanding at the completion of this exercise.

- 3.5** At the start of the exercise, there were 411 open audit actions across the Council. As a result of this exercise, we can report that 151 of these actions can now be closed i.e. fully implemented (121) or are no longer applicable (30) This represents an implementation rate of 37%. This represents a significant increase on our previous exercise (implementation rate of 25%) and also an increase on the average implementation rates seen over previous years. At the conclusion of this exercise, 260 recommendations remain open.
- 3.6** We saw evidence of strong implementation of open actions in a number of areas across the Council. There have been control improvements over processes within Food Safety and Pest Control, better performance information regarding residential waste collection, improvements to management of waste contracts; the appointment of a 'gatekeeper role' for agency engagement and management; enhanced performance information reporting for income / accounts receivable; a new policy for government procurement cards; control improvements over IT asset management and; roll out of data protection refresher training.
- 3.7** Actions have been implemented that should provide greater assurance over compliance with; corporate policies on Gifts and Hospitality and Conflicts of Interest and Attendance Management and; the requirements of external funders.
- 3.8** There is an improved likelihood of implementing actions regarding the Developer Contributions Framework, agency engagement and management, bereavement services, fleet management and domestic refuse collection because resource issues have been / are being addressed.
- 3.9** The Board / Panel is asked to consider the proposed closure of actions from the 2016 internal audit of Grants because at present there is no corporate commitment or lead officer to implement the 'strategic' recommendations around outcomes based funding

(which is not unique to grants) or the return to centralised grants administration.

3.10 A detailed analysis of implementation rates/actions has been circulated to the Panel.

3.11 The implementation rate of 37% demonstrates that significant efforts are being made by management across the council to address outstanding audit actions. Whilst there is still a high number of actions outstanding management continue to express their commitment to addressing these and where applicable have provided revised implementation dates. AGRS will continue to provide management with regular information on the current position of open audit actions within their department.

3.12 While good progress has been made, we highlight that there are a number of actions that if implemented, could potentially contribute to the councils efficiency plans including actions around measuring and capturing benefits from the implementation of corporate programmes and projects; improving how overtime and utility costs are managed; considering opportunities to generate income; improving the corporate performance management framework; exploring how to get better data from IT systems to allow better analysis of costs and; deriving maximum value from the annual spend analysis by Commercial and Procurement Services.

3.13 We also highlight that several actions relate to Asset Management and these are difficult to progress until there is corporate direction in this area.

3.14 Timing of the Next Recommendations Monitor

We propose that Audit, Governance and Risk Services undertakes the next full validation exercise in March / April 2023, for reporting to the Board / Panel in June 2024.

3.15 Further Information

The attached report provides a Council wide summary of the implementation of audit actions. Each Department has been provided with a further, more detailed analysis of implementation within their department. These departmental reports can be

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provided to the Assurance Board / Audit and Risk Panel on request.

Financial and Resource Implications

None

Equality or Good Relations Implications/Rural Needs Assessment

None known at this time.”

The Panel noted the contents of the report and, in so doing, recognised that management had improved the progress being made to implement audit actions and stressed that it was important that this trajectory continue. The Panel agreed also that the next Recommendations Monitoring exercise take place in March/April, with the outcome to be reported to its meeting in June.

Update on Developing a Data Driven Approach to Delivering the Belfast Agenda

The Deputy Chief Executive/Director of Corporate Services submitted for the Panel’s consideration the following report:

“1.0 Purpose of Report/Summary of Main Issues

- 1.1 The Audit and Risk Panel, at its meeting on 13th June, considered a progress report which included a summary on the recent audit of the Corporate Risk: ‘Developing a Data Driven Approach to Delivering the Belfast Agenda’.

The purpose of this report is to provide an update on the progress being made to address the issues highlighted in the audit. This report provides an outline of each agreed action, the timeframe for implementation and a short update on the progress made to date to implement each of the actions.

2.0 Recommendation

- 2.1 The Audit and Risk Panel is requested to note the update on the recommendations contained in the Audit Report on this risk.

3.0 Main Report

3.1 Background

A recent internal audit report of the Corporate risk *Developing a Data Driven Approach to Delivering the Belfast Agenda* indicated that the Risk Action Plan and related risk management processes associated with the risk were unlikely to provide reasonable assurance that the risk is being managed and that the target risk rating will be achieved.

The report made a series of recommendations. This report provides the Panel with an update on progress to date against these recommendations.

1. The risk action plan should be updated to reflect the crucial role that the Belfast Urban Innovation Framework will have in maximising the approach to city data in particular the formal governance, oversight, reporting and monitoring arrangements in place for the implementation of the key partner actions.

Timeframe: March 2024. The Belfast urban innovation framework was approved by council in November 2022. It has two main functions – (i) to influence other city partners to work collectively on key pillars in support of the city’s innovation ecosystem. and,(ii) a set of initiatives for Belfast City Council to pursue over the next four years in order to make its own contribution to these collective pillars. Work on each initiative is subject to successfully sourcing third party funding opportunities to deliver individual projects. As relevant funding for individual data focused projects are confirmed, these will be reflected in the risk action plan. In terms of governance, oversight and reporting, with the appointment of the Deputy CX and Director of Corporate Services, the work of the City Innovation Team is being integrated within the planning, oversight and reporting processes of the Corporate Services Department. Governance at partnership level is currently being reviewed and when complete will be incorporated into risk management and mitigation processes.

2. The City Innovation Team to engage with the new Deputy Chief Executive and Strategic Director of

Corporate Services to get direction on the management of this risk.

Timeframe: Q3. Initial discussions have begun with the newly appointed Deputy Chief Executive and the City Innovation Office. Note that both the City Innovation Manager and Data Specialist roles are currently vacant. In the interim these discussions are being led by the City Innovation Programme Lead.

3. **Bearing in mind that the impact of this risk happening would be opportunities lost, management should reconsider the current risk impact assessment of four i.e. that if the risk were to happen it would have a 'major impact on the council'.**

Timeframe: Q3. This decision will be the primary focus of the discussion with the Deputy CX, as will the current designation of the impact of this risk.

4. **Management should review and update the risk action plan to reflect:**
 - the key controls that are in place to manage the risk
 - the key actions that they plan to take to manage the risk

As there are two aspects to this risk, namely the strategic approach to data at corporate and city level, it would be beneficial if the controls and actions listed in the risk action plan are clearly marked as improving the approach to data at corporate level, city level or both levels.

Timeframe: Q4. This review will be complete following to the completion of action (2) and (3) above and subject to the outcome of these discussions.

5. **The City Innovation Team should engage with Digital Services to clarify how the draft four year Digital Strategy for the Council should be reflected in the corporate risk action plan.**

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Timeframe: Q4. This review will be complete following to the completion of action (2) and (3) above and subject to the outcome of these discussions.

- 6. Management should develop effective sources of assurance (such as regular reports and oversight boards independent of the team) that will provide the risk owner and the organisation with evidence that the risk is being properly managed. These should be recorded on the risk action plan.**

Timeframe: Q4. This review will be complete following to the completion of action (2) and (3) above and subject to the outcome of these discussions.

3.2 Update on Actions taken to Date

Note that both the City Innovation Manager and Data Specialist roles are currently vacant which has restricted the City Innovation Office's capacity to respond to the Audit report in a more timely fashion.

3.3 Next Steps

Further discussions with the newly appointed Deputy Chief Executive on the current risk impact assessment of this risk.

3.4 Financial and Resource Implications

None

3.5 Equality or Good Relations Implications/Rural Needs Assessment

None."

The Panel noted the contents of the report.

Update on Performance Improvement

(Mr. G. Dickson, Strategic Planning and Policy Manager, attended in connection with this item.)

The Strategic Planning and Policy Manager reminded 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

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Strategic Policy and Resources Committee, at its meeting on 18th August, had approved the Council's Improvement Plan for 2023-24.

He went on to point out that the aforementioned Act also contained a requirement to monitor progress against the improvement objectives and be reported through an annual assessment of performance. Accordingly, he submitted for the Panel's approval the Corporate Performance Year-End Assessment for 2022/23.

The Panel approved the document.

Audit and Risk Panel

Recruitment of External Member

The Audit and Risk Panel was reminded that, in line with recommended practice set out within the *CIPFA Audit Committees: Practical Guidance for Local Authorities and Police (2022 Edition)*, its work had, for a number of years, been supplemented by an external member, who provided a source of expertise on audit and finance related matters and supported the Panel in ensuring that the Council provided the highest standards of corporate governance arrangements.

The Head of Audit, Governance and Risk Services reported that Ms. Geraldine Fahy's term as External Member on the Audit Panel would end in November and that a recruitment exercise to appoint her successor was required. She pointed out that, whilst the appointment would be made through a consultancy agreement, it was important for the Council to follow good practice in making public appointments. It was, therefore, being proposed that, as in previous years, a selection panel, representative of gender and community background, be convened to undertake the short-listing and interviewing process. She provided details of the timeframe involved and recommended:

- i. on the basis of advice received from Corporate HR, that the selection panel comprise the Chairperson (or his nominee), another Member of the Audit and Risk Panel, the Director of Finance and the Director of Human Resources and/or the Interim City Solicitor/Director of Legal and Civic Services; and
- ii. that authority be delegated to the selection panel to appoint the most suitable candidate, with the Audit and Risk Panel to be advised of the outcome of the recruitment exercise at its next meeting.

The Panel adopted the recommendations and nominated Alderman Rodgers to serve as the second Member on the selection panel.

Member Training

The Head of Audit, Governance and Risk Services reminded the Panel that, in addition to induction briefing offered to new Members and in line with good practice, regular training/briefing sessions were organised to support the Panel in the discharge of its duties. The latest session had been delivered via MS Teams in April, 2021.

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She explained that, given the number of Members who had joined the Panel for the first time and the forthcoming appointment of an External Member, this would be an appropriate time to put in place arrangements for delivering a training session. Accordingly, it was being proposed that:

- a tightly focussed and interactive training session be facilitated, lasting between one and two hours;
- the training session be held in a Council location, such as the City Hall or Belfast Castle, as the Panel had previously indicated that it was more effective when delivered face to face;
- the training session be scheduled for January 2024, to enable the newly appointed External Member to attend;
- Audit, Governance and Risk Services would engage a subject matter expert to design and deliver the session; and
- the draft outline objectives for the session would include:
 - the strategic context of the Council;
 - the role of the Audit and Risk Panel;
 - a snapshot of Governance, Risk and Control arrangements;
 - an illustration of the value of the Panel/examples; and
 - an assessment of the impact and effectiveness of the Panel (CIPFA).

The Panel approved the proposed approach for the delivery of a training session for 2023/24, including the indicative timing, location and outline objectives.

Date of Next Meeting

The Panel noted that its next meeting would be held at 12.30 p.m. on Tuesday 5th December.

Chairperson