

Audit and Risk Panel

Tuesday, 4th March, 2025

MEETING OF AUDIT AND RISK PANEL

Members present: Councillor R. McLaughlin (Chairperson);
Alderman Rodgers,
Councillors Hanvey and Verner; and
Mr. D. Wilson (External Member).

In attendance: Mrs. S. McNicholl, Deputy Chief Executive/Director of
Corporate Services;
Ms. N. Largey, City Solicitor/Director of Legal and
Civic Services;
Ms. C. Sheridan, Director of Human Resources;
Mr. T. Wallace, Director of Finance;
Ms. C. O'Prey, Head of Audit, Governance and Risk
Services;
Mr. M. Whitmore, Audit, Governance and Risk
Services Manager;
Ms. T. Higgins, Assistant Corporate Health and
Safety Manager;
Mr. A. McKinley, Internal Auditor;
and
Mrs. L. McLornan, Committee Services Officer.

Also attended: Mr. R. Ross, Northern Ireland Audit Office.

Pre-Meeting

The Audit and Risk Panel met privately with Mr. R. Ross, Northern Ireland Audit Office, prior to the meeting commencing, to enable them to discuss any concerns around the work of the Council's risk, control and governance arrangements.

Apologies

Apologies for inability to attend were reported from Councillors Groogan and McKeown.

Minutes

The minutes of the meeting of 3rd December, 2024, were approved by the Panel.

Declarations of Interest

No declarations of interest were recorded.

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Absence Rates Q/E December 2024

The Director of Human Resources presented the following report to the Panel:

“1.0 Purpose of Report or Summary of Main Issues

1.1 The purpose of this report is to inform the Audit Panel of the Council’s performance in managing absence at the end of quarter three, April – December 2024.

2.0 Recommendations

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 three:

- **The Council’s average sickness absence rate stands at 10.99 days, a decrease of 1.44 days compared to absence for the same period last year (12.43 days).**
- **A total of 24848.4 working days was lost due to sickness absence. This accounted for 6.51% of the total working days available.**
- **The table below provides a summary of how departments are performing against the target. Three departments did not meet the corporate quarterly target of 12.17 days for quarter three.**

End of year target	16.23					
End of Q3 target	12.17					
Department	Number of employees (FTE)	Total days lost (FTE)	Average absence per FTE	Variance	% of workforce	% of absence
City and Neighbourhood Services	1312.27	16425.9	12.52	0.34	58.04%	66.10%
City and Organisational Strategy	87.15	798.89	9.17	-3.01	3.85%	3.22%
Corporate Services	127.39	399.16	3.13	-9.04	5.63%	1.61%
External Affairs, Comms and Marketing	27.71	83.07	3.00	-9.17	1.23%	0.33%
Finance	48.64	198.68	4.08	-8.09	2.15%	0.80%
Human Resources	32.54	257.16	7.90	-4.27	1.44%	1.03%
Legal and Civic Services	157.94	2067.35	13.09	0.92	6.99%	8.32%
Place and Economy	349.67	2956.25	8.45	-3.72	15.47%	11.90%
Property and Projects	117.53	1661.9	14.14	1.97	5.20%	6.69%
Grand Total	2260.84	24848.4	10.99	-1.18		

3.2 Additional Absence information:

- There has been a slight increase in the number of staff with no recorded absence this period (49.44%) compared to the same time last year (49.27%)
- There has been a significant decrease of 11.7%, or 2290.8 days, in absence classified as long term (20+ days) this year (17240.10 days) compared to the same time last year (19530.90 days).
- The number of days lost per full time equivalent increased by 0.6 in quarter three (4.06 days) when compared to quarter two (3.46 days). It is worth noting that the quarter three figure in 24/25 is the lowest it's been, in quarter three, since 20/21. This is illustrated in figure one.
- Stress, depression, anxiety (31.23% of total days lost) and musculo-skeletal (28.91% of total days lost) continue to be the top two reasons for absence. Refer to figure two for further information.
- There has been a significant decrease of 11.7%, or 2290.8 days, in absence classified as long term (20+ days) this year (17240.10 days) compared to the same time last year (19530.90 days). Refer to figure three for further information.
- Issues were identified in how absences were being managed in 88 cases. These were discussed in detail with departments during quarter three. Please note that a number of meetings did not take place with City and Neighbourhood Services in quarter three. Refer to figure four for a breakdown by department.
- Approximately 27% of absence (6787.03 days) is recorded as disability related. Almost two thirds (64.95%) of disability related absence was managed as long term. Employees who reported absence with Depression / Anxiety / Mental Health (30.77%), Chronic back pain (14.63%) and Osteoarthritis (9.95%) accounted for 55% of all disability related absence days. Refer to figure five for further detail on disability related absence.
- The Council continued to be impacted by absence due to COVID 19 by the end of quarter three. 108 employees were recorded as absent due to COVID19, and this accounted for 639.44

days or 2.57% of the total absence in quarter three.

- 11 employees met the trigger for a Stage four/FAH in quarter three.
 - One employee was retired on the grounds of ill health prior to hearing being arranged.
 - One employee resigned prior to a final hearing being organised.
 - Discretion was applied to five of these cases not to progress to a FAH. This was due to one employee returning to work, two employees given additional time off due to surgery and recovery, one employee sustained a serious back injury and further medical information was required for one employee.
 - Two employees (who met the trigger during quarter three) attended a stage four / final hearing.
 - Discretion was shown due to the nature of the employees' absence (bereavement / mental health).
 - The other employee availed of a career break.
 - Two cases were non-compliant (case reviews not organised within agreed timeframes).

In addition to the above cases, three employees were also dismissed on the grounds of permanent ill health during quarter three and one employee was dismissed for failing to meet the standards of attendance.

Corporate HR monitors how departments are managing attendance. Matters regarding the management of cases at the final stages of the attendance policy are raised with departmental senior management when necessary.

3.3 Departmental improvement plans/absence reporting to DMT:

Corporate HR has reviewed all of the departmental improvement plans for quarter three. All departments provided a progress report for quarter three. In general, meaningful information and updates were provided by the departments.

However, CNS has, again, identified lack of resources as an issue in carrying out the analysis required for the improvement plan.

All departments returned their absence dashboards for October, November and December 2024.

3.4 Health and Wellbeing Strategy

A key action for Corporate HR as outlined in the Health and Wellbeing Strategy, is to develop an annual H&WB action plan to deliver a programme of wellbeing support and awareness raising to all employees. Corporate HR continues to roll out a full programme of H&WB events, activities and initiatives which have been promoted via departmental HR, Interlink and through a team of 16 Health & Wellbeing Champions.

Twenty-three events were delivered in quarter three and attended by 320 staff. This equates to a 78% increase on attendance compared to quarter three last year and a 22 % increase on the number of events delivered.

Furthermore, training on management skills continues to be delivered, for example, Understanding the Attendance Policy, Skills for Managing Performance, Conflict Resolution and Dealing with Difficult Conversations.

Health and Wellbeing initiatives:

Stress

Stress Awareness for Managers and Positive Mental Health are delivered regularly and were attended by 18 staff in quarter three. To support staff in reducing stress and tension, Corporate HR delivered a programme of 15-minute, Mindful Movement sessions which were attended by 71 staff.

Musculo Skeletal Issues

There has also been a focus this quarter on support for musculoskeletal health issues which are a major cause of absence. Tips for Spinal Health, Osteoporosis in a Sedentary World and Diet and Nutrition sessions were delivered and 45 employees attended. Going forward, there will be a continued focus on musculoskeletal support and advice.

Stop Smoking Campaign

A Stop Smoking Campaign, supported by Cancer Focus, and promoted through events at various council locations is ongoing and 19 employees have signed up to the programme. Progress on this will be reported in our next report.

Keeping Well Van

The Keeping Well Van visited one CNS site with 16 staff attending a 30 minute health check. The Keeping Well van has now been rolled out over six sites including Duncrue, Park Road, Alexandra Park and Blackstaff with a total of 85 staff having a health check.

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.
- 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 27% of absence (6787.03 days) is recorded as disability related. The use of discretion and reasonable adjustments is considered in such cases.

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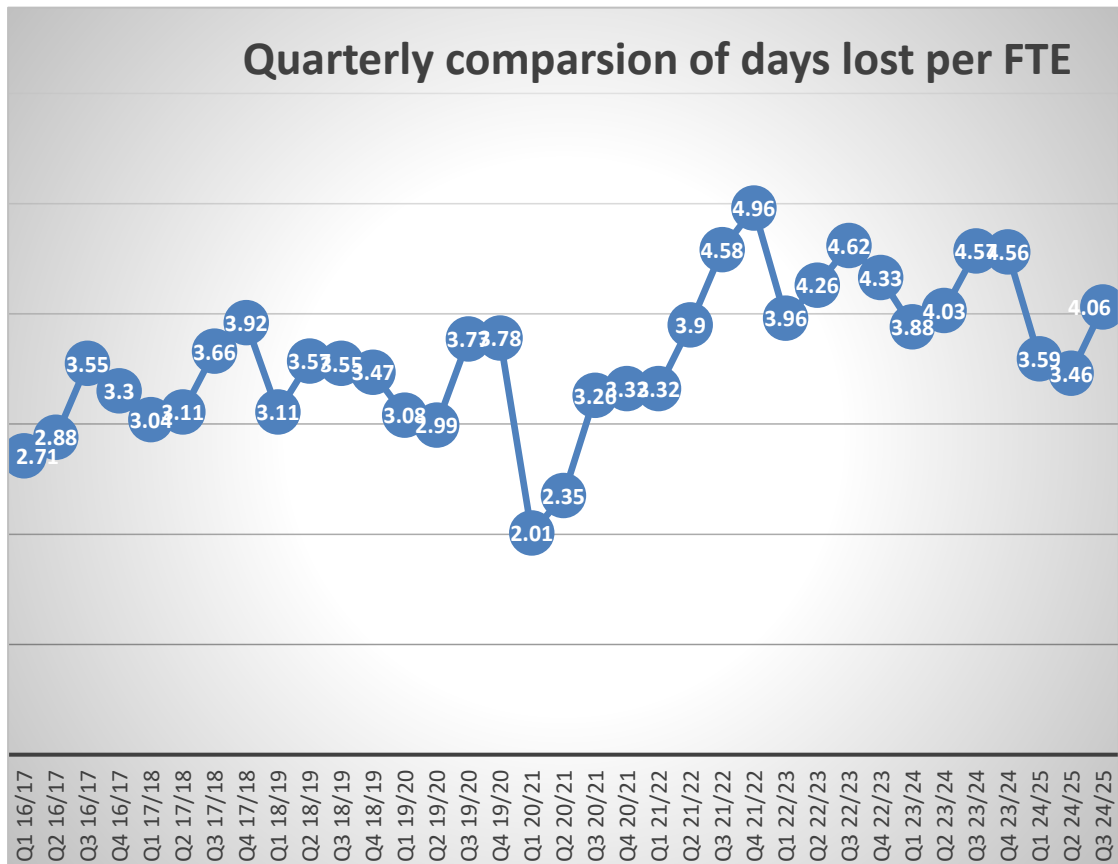


Figure Two:

Reason for absence	Days lost (FTE)	% of absence
Stress, depression, anxiety	7760.82	31.23%
Musculo-skeletal	7183.01	28.91%
Stomach, digestive, etc	2554.34	10.28%
Infections, inc colds & flu	1568.38	6.31%
Heart, blood press, circ, etc	1124.17	4.52%
Neurological, inc headaches	1030.61	4.15%
Other	839.65	3.38%
Chest and respiratory	765.03	3.08%
Infections, Covid19	639.44	2.57%
Genito-urinary, inc menstrual	595.33	2.40%
Eye, ear, nose & mouth/dental	448.11	1.80%
Pregnancy related	339.49	1.37%
Total	24848.38	

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Figure three:

Reason for discretion	Total days	% of total
Bereavement	299.4	17.55%
Underlying medical condition / Disability	229.51	13.45%
Mental Health	227.95	13.36%
Work related stress	205.55	12.05%
Emergency domestic responsibilities	190.29	11.16%
Planned surgery and recovery	169.45	9.93%
Hospitalisation	154	9.03%
Industrial injury	95.6	5.60%
Unresolved ER issues	35.81	2.10%
Previous long service and clear record	31	1.82%
Sensitive personal stressors	29.44	1.73%
Workplace incident	20.74	1.22%
Previous long service and clear record.	11	0.64%
Pregnancy related	6.03	0.35%
Total	1705.77	
Total days lost in quarter three (October to December 2024)	9021.57	
% of total days lost where discretion applied in quarter three	18.91%	
Average days off per occurrence of discretion in quarter three	19.38375	

Figure four:

Department	Total
City and Neighbourhood Services	34
City and Organisational Strategy	9
Corporate Services	3
External Affairs Comms & Marketing	2
Human Resources	0
Finance	0
Legal and Civic Services	19
Place and Economy	10
Property and Projects	11
Totals	88

Figure five:

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Actual disability	Total days	% of total disability related absence
Depression / Anxiety / Mental health conditions	2088.09	30.77%
Chronic back condition	992.82	14.63%
Osteoarthritis	675.15	9.95%
Chronic heart condition	508.67	7.49%
Cancer	274.83	4.05%
Hernia	262.32	3.87%
Chronic neurological condition	222	3.27%
Chronic bowel condition	186.15	2.74%
Chronic hip condition	174.13	2.57%
Pancreatic Necrosis	122.97	1.81%
Ulcerative Colitis	113.99	1.68%
Spinal Stenosis	87.03	1.28%
Eczema	84.93	1.25%
Diabetes	84.49	1.24%
Chronic pituitary condition	83	1.22%
Chronic respiratory condition	69.19	1.02%
Macular Degeneration	68.99	1.02%
Renal failure	67.97	1.00%
Other*	620.31	9.14%
Total absence end of quarter three	24848.38	
Disability related absence at the end of quarter three	6787.03	
% of absence lost due to disability	27.31%	
% of disability related absence managed as LTA	64.95%	

***Other includes a total of 24 conditions that each individually account for less than 1% of total disability related absence.”**

In response to a Member’s comments, the Director stated that she hoped that the significant decrease in long term absences, of 11.7% from the same time last year, was a positive indication that the corporate and departmental improvement plans were working. The Member paid tribute to the hard work of all the staff who had been involved in the managing of attendance, noting that all Departments had returned their dashboards.

In response to a further Member’s query regarding the absence levels within the City and Neighbourhood Services (CNS) Department, the Director advised the Panel that CNS comprised almost 60% of the workforce, with a significant proportion of those employees carrying out manual or frontline jobs. She outlined

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that management had sought to realign its resources and recruit additional staff in order to assist with absence management and reduce its level of absence.

The Chairperson thanked the Director for the update which had been provided and the Panel noted the contents of the report.

Corporate Health and Safety Performance Report

The City Solicitor/Director of Legal and Civic Services provided the Panel with a report on the health and safety performance and activities for the quarter ending on 31st December, 2024.

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 81% and 67% respectively.

In terms of accident/incident reporting, there had, in quarter three, been 29 employee accidents, 1 non-employee accident, 13 RIDDOR accidents and 15 work related violence incidents.

The City Solicitor outlined that no new enquiries or correspondence had been received from the Health and Safety Executive Northern Ireland (HSENI) or the Northern Ireland Fire and Rescue Service during quarter three 2024/25. However, there had been a follow up by HSENI in relation to the Belfast Zoo near miss, road layout improvements to Alexandra Park and the Corporate Health and Safety Unit was copied into correspondence regarding a forthcoming pool safety initiative.

She reported that the Council's Corporate Management Team (CMT) had met with representatives from HSENI in February, 2025, to discuss the lessons which could be learned from recent incidents and prosecutions across all sectors in Northern Ireland. The session had been well received and officers were considering how best to cascade the learning through its health and safety structures. It was agreed that HSENI would meet CMT annually.

The Panel was assured that the contract for the Council's fire doors had gone out to tender and that an external contractor would be appointed in the coming weeks.

A Member stated that it was good to see that the majority of the high priority actions had been progressed. The Director agreed to provide a further update on the two remaining high priority actions at the Panel's next meeting.

The Panel noted the contents of the report.

Recommendations Monitor Report

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The Audit, Governance and Risk Services Manager presented the Audit and Risk Panel with an update on the implementation of agreed audit actions following the recent Recommendations Monitoring exercise.

A full validation exercise was completed recently and included a review of all audit recommendations that were open as at the end of February 2025.

At the start of the exercise, there were 248 open audit actions across the Council. As a result of the exercise, 60 of those actions could now be closed, that is, fully implemented (57) or were no longer applicable (3). That represented an implementation rate of 24%. It represented a significant decrease on the previous exercise (implementation rate of 35%) and was below the implementation rates seen over previous years. At the conclusion of that exercise, 188 recommendations remained open, as compared to 189 at the same point in the last reporting period.

The Panel received an update on the full implementation of actions in a number of areas across the Council. The Panel also received an update on the implementation rates for each department.

A summary of the link between the implementation of audit actions and the management of corporate risks and the link to delivery of value for money was also provided.

The Panel also learned how management had indicated that the implementation of new IT systems was a key enabler for the implementation of open audit actions.

Management continued to express their commitment to addressing these and where applicable had provided revised implementation dates. AGRS would continue to provide management with regular information on the current position of open audit actions within their department.

In order to allow the Panel to better understand the underlying causes for delays in implementation of outstanding actions and to decide on the best time to undertake their next exercise, the Panel agreed for AGRS to undertake an analysis of root causes and report back to the next meeting of the Panel in June 2025.

A Member queried why Departments were continually missing completion dates on high priority actions.

In response, the Deputy Chief Executive explained that the Audit Assurance Board had recently held an in-depth scrutiny session on the issue. She explained that the importance of expediting delivery was well-recognised amongst management and that it was agreed that further analysis of the root causes of the delays should be carried out. The Audit, Governance and Risk Services Manager added that management had indicated that a number of the outstanding actions were tied to delays in the implementation of new IT systems.

In response to a further Member's question, the Audit, Governance and Risk Services Manager explained that that the key theme amongst the reasons for the

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delays was that the Departments had indicated that they were working with competing priorities and resources.

The Panel noted the progress which had been made by management to implement audit recommendations and approved the proposal that AGRS would bring back an analysis of the underlying reasons for the delays in implementation to the June 2025 meeting, after which the timing of the next exercise could be agreed.

After discussion, the Panel further agreed that officers would:

1. bring an analysis of the underlying reasons for the delays in implementation to the June 2025 meeting, with a focus on those actions which placed the Council at the most risk, be that financial or reputational; and
2. look to establish a new target on the implementation rate of high priority actions.

AGRS Progress Report February 2025

The Audit, Governance and Risk Services Manager provided the Panel with an update on the internal audit reports for five assignments which had been finalised during the period from December 2024 to February 2025, namely:

- External Affairs, Communications and Marketing (Major Improvement Needed);
- NI Houses in Multiple Occupation (Some Improvement Needed);
- Dog Warden Service (Some Improvement Needed);
- Asset Management IT System – Project Management Arrangements (opinion n/a); and
- Building Control IT System – Project Management Arrangements (opinion n/a).

He advised the Members that 66% of planned activity in the Audit Plan 2024/2025 had either been completed or was underway.

The Panel was advised of the following Audits which were still in progress:

- In-Cab Technology – Project Management Arrangements (draft report issued)
- New Crematorium (fieldwork)
- Police & Community Safety Partnerships (draft report)
- Agency (draft report)
- People Strategy (fieldwork)
- Government Procurement cards (draft report issued)
- Planning (draft report)
- Corporate Complaints (fieldwork)

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- BWUH Ltd - review of Finance, IT Security, Performance Management, Event Management and Company Secretarial Duties (draft report issued)
- Births, Deaths, Marriages and Civil Partnerships (fieldwork)
- Insurance (fieldwork)
- Payroll – Data Analytics (fieldwork)
- Governance Review BWUH (fieldwork)

The Panel was provided with an update in relation to initial enquiries relating to the Raising Concerns Policy. The Manager outlined that there had been an attempted bank mandate fraud which had been prevented by the application of controls. There were no fraud cases ongoing.

Regarding the National Fraud Initiative, the Panel was advised that the Council had received the data matches requiring investigation, following the data upload which had taken place in October 2024. Whilst there had been a slight increase in the number of duplicate creditor matches this year, in general, the number of matches was consistent with those which had been received in recent years.

The Panel was reminded that the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 required the Council to “undertake an adequate and effective internal audit of its accounting records and of its system of risk management, internal control and governance processes using internal auditing standards in force from time to time”.

He explained that AGRS complied with the Public Sector Internal Audit Standards (PSIAS) which were published in 2013 and remained in force until 31st March, 2025. He reported that those had now been superseded by the new Global Internal Audit Standards (GIAS) which had come into effect from January 2025 and set out standards in relation to:

- Purpose of Internal Auditing.
- Ethics and Professionalism.
- Governing the Internal Audit Function.
- Managing the Internal Audit Function.
- Performing Internal Audit Services.

The Panel was advised that, following a period of consultation, the Chartered Institute of Public Finance and Accounting (CIPFA) had issued the final version of the Application Note on the GIAS in the UK Public Sector applicable from 1st April, 2025 and all internal auditors in the public sector must confirm adherence to the Application Note as well as the GIAS from 1st April, 2025.

He outlined that AGRS was in the process of completing a self-assessment against the GIAS, Application Note and the Code and would develop a draft action plan to take forward any necessary work to ensure conformance. It was noted that an update report would be submitted to the Panel’s June meeting in that regard.

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It was reported that management had requested that the planned audit of the Climate Action Plan be deferred as it had not yet been finalised due to resource issues within the Climate Team.

It was also reported that, in March 2024, the Panel had approved the deferral of the audit of Strategic Waste Management from the 2023/24 audit plan due to a lack of progress regarding the development of a Regional Waste Management Strategy by DAERA. The absence of the regional strategy impacted on the ability of the Council to develop its own strategy and therefore management considered that there would be limited value in undertaking an audit at that time. As there had been no change since then, AGRS was once again requesting that the Panel would consider deferring the audit to a future audit plan. The AGRS manager also relayed a recent request from management to defer the internal audit of outdoor leisure to allow time for the Unit to complete the current CI review of the Parks, Events and Outreach service.

It was anticipated that this review would be completed by no later than May/June of this year at which time CNS would be in touch to agree a timeline for this work.

The Panel:

- noted the AGRS Progress Report for the period December 2024 to February 2025; and
- agreed the request by management to defer the internal audits of BCC Climate Action Plan and Strategic Waste Management and Outdoor Leisure.

After discussion, it was also agreed that a report be submitted to the next meeting, providing the Panel with an update on the progress made by the External Affairs, Communications and Marketing Department in response to its agreed action plan.

Corporate Risk Management

The Head of Audit, Governance and Risk Services submitted for the Panel's consideration the Corporate Risk Dashboard which summarised the key updates from the risk review for the quarter-ending December, 2024.

She outlined that Management proposed that sole ownership of the Port Health risk should transfer to the Strategic Director of City Operations, with the City Solicitor to continue to provide an advisory role.

The report updated the Panel also on compliance with the Risk Strategy, based on the assurance statements for the quarter ending December 2024 which had been completed by senior management.

The Panel was advised that risk appetite was "the amount of risk that an organisation was willing to accept." The Head of AGRS explained that the external review of the Council's risk management arrangements, reported to the Panel in

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December 2022, had recommended that the overarching risk appetite statement be supplemented with statements for each risk category. The external review also recommended that the Council would review and update its current risk categories (Finance; Governance and Compliance; Programme and Project; Customer and Service; Strategic; Innovation; and Reputation) to specifically include Health and Safety and Technology. She explained that AGRS had since met with the relevant senior managers to seek their views on the content of such statements and they were provided to the Panel.

The Panel highlighted the importance of ensuring that the Risk Appetite statements be applied in practice. The Head of AGRS indicated that that would be considered when communicating the updated Risk Strategy, when it was agreed.

The Panel was provided with an update on Business Continuity Management (BCM) arrangements for each critical service, outlining that AGRS had reinstated the BCM Group to support the implementation of the Council's BCM Policy, with the first meeting having taken place in January 2025. It was noted that each service was required to consider any learning from the recent Storm Éowyn on 24th January, 2025, and to complete a return regarding their preparedness for Planned Emergency Power Cuts.

During discussion in relation to horizon scanning, a Member added that the Council should be looking at the recently published Programme for Government for any opportunities for the Council.

After discussion, the Panel:

- Noted the corporate risk management dashboard and the updates for quarter-end December 2024;
- Agreed that sole ownership of the corporate risk on Port Health would transfer to the Strategic Director of City Operations;
- Noted the assurances from senior management regarding compliance with the Risk Strategy, based on the assurance statements for quarter-end December 2024;
- Reviewed and agreed the updated draft Risk Appetite Statement; and
- Noted the current position regarding business continuity arrangements.

Draft Internal Audit Strategy and Plan

The Audit, Governance and Risk Services Manager submitted for the Panel's approval the Internal Audit Strategy and Plan for 2025/2026. The Plan set out the role of Audit, Governance and Risk Services as an assurance provider and

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advisory service which directly assisted the Council in meeting relevant statutory obligations in relation to internal control, risk management and good governance.

The detailed Plan listed the areas which Audit, Governance and Risk Services was planning to audit during 2025/2026 and was based on an assessment of audit need, taking into account a number of risk factors, with the aim being to audit key areas on a cyclical basis. The Plan had been discussed with each Department at quarterly risk and audit meetings.

In addition to specific assignments, it also provided for support to the Council in terms of advisory work, project assurance, fraud prevention, detection and investigation, including a continued focus on the corporate fraud risk assessment and participation in the National Fraud Initiative, as well as raising concerns, risk management, business continuity management and corporate governance.

The Panel was advised that the Plan was aligned to the draft Corporate Plan and priorities and would be flexible to meet the assurance and advisory needs of Members and management as required.

In relation to the Global Internal Audit Standards, Standard 8.2 – Resources, she confirmed that the internal audit resources were sufficient to fulfil the internal audit mandate and achieve the internal audit plan. She reported that AGRS had a support, coordination and oversight role in regard to the Council policies on Fraud and Bribery, Raising Concerns, Business Continuity Management and the Risk Management Strategy. To ensure that the Council was receiving assurance over those areas, they undertook regular self-assessments against best practice for each area and commissioned periodic external reviews of them to provide management with independent assurance.

The Panel was advised that the completion of the periodic external reviews was subject to budget availability. She outlined that she planned to seek approval to commission an external review of the arrangements in place for Raising Concerns during 2025/26.

Furthermore, regarding Standard 8.3 - Quality, she drew the Panels attention to the AGRS Quality Assurance and Improvement Programme, including their Performance Indicators for 2025/26, and sought approval for those.

The Panel noted and approved the draft Internal Audit Strategy and Plan (including the Quality Assurance and Improvement Programme and Performance Indicators) for 2025/26.

Performance Improvement Q3 Update

(Mr. J. Tully, Director of City and Organisational Strategy, attended in connection with this item)

The Director of City and Organisational Strategy presented the following report to the Panel:

“1.0 Purpose of Report or Summary of main Issues

1.1 The purpose of this report is to present the Panel with a quarter 3 (Oct – Dec) 2024-25 progress update on the actions and measures of success (performance indicators) contributing to the achievement of the performance improvement objectives contained within the Performance Improvement Plan (PIP) 2024-25.

2.0 Recommendations

2.1 The Panel is asked to:

- i. note the update provided within this report.
- ii. consider and approve the PIP (2024-25) quarter 3 Performance Dashboard Report as attached at Appendix 1.
- iii. agree the Performance Dashboard Report is submitted to be noted at the Strategic Policy and Resources Committee on the 21 March 2025.

3.0 Main report

Background

3.1 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 a PIP, to be published by 30 June. The Act also requires that progress is regularly monitored against the improvement objectives and reported in an annual Self-Assessment of Performance, to be published annually by 30 September. The PIP 2024-25 does not include everything that the Council plans to do that year, but instead focused on a smaller set of performance improvement objectives and priorities.

3.2 Q3 2024-25 Performance Improvement Dashboard Report

In the [2024-25 Performance Improvement Plan](#), agreed by SP&R on 21 June 2024, we committed to presenting quarterly performance reports to the CMT, the Audit and Assurance Board and the Audit and Risk Panel, Committee, and the Full Council.

3.3 Year-to-date progress as at the end of quarter 3 2024-25 is detailed in Appendix 1 for the Panel’s consideration. In total there are 44 actions and 50 measures of

success (performance indicators) including 7 statutory and 43 self-imposed performance indicators. A high-level performance overview is provided on page 4 of Appendix 1, with a summary set out below.

i. On Track or Complete

- 74 measures are on track for completion.
- 9 measures (2 actions and 7 performance indicators) have been achieved year-to-date including targets in relation to the Belfast Business Promise, anti-poverty/cost of living programme and the NI Environmental Benchmarking Survey Rating (Gold) in quarter 3.

ii. Data not available

In assessing progress at quarter 3, data was not yet available for 2 performance indicators:

- Maintaining Carbon Disclosure 'A' Status (expected February 2025).
- Promoting jobs through business start-up activity (data has yet to be verified).

iii. Closed

Recognising that tree planting does not fully reflect the ambitions in the Tree Strategy and the Climate Action Plan, the CMT agreed on the 30 October 2024, to move away from the following performance indicator. The Panel will recall that this performance indicator was subsequently removed from the 2024-25 Performance Improvement Plan in quarter 2.

‘Planting trees as part of the One Million Trees Programme (target to be confirmed – subject to internal approval)’.

iv. Performance against targets

Excluding the performance indicator that is now closed, those that have already been completed/achieved, and those that don't have available data to measure performance against target there are 40 remaining indicators. Of these 40 indicators, 35 (87.5%) are on track for achievement. A total of 39 out of 44 actions (89%) are also on track to be delivered.

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At the end of quarter 3 (i.e., 31 December 2024) there were a small number of actions and performance indicators being reported as behind target and requiring intervention and/or at risk of not achieving target and that change is required. Table 1 overleaf provides a brief commentary on the rationale for the delay in these areas, with more detail provided in Appendix 1.

Table 1: Commentary on actions and indicators reporting to be behind target

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Measure description/ rationale	Measure type/ status
<p>% of corporate complaints resolved within timeframe - <i>(NB. The complaints handling procedure has changed in line with requirements from NIPSO from a three-stage process to a two-stage process – services are adapting to the new process).</i></p>	<p>Performance Indicator – Behind/ requires intervention</p>
<p>% of corporate complaints with improvement actions - <i>(as above).</i></p>	
<p>Average processing time for major planning applications (Statutory) - <i>(NB. The Planning Service continue to implement ongoing improvements within a currently challenging system).</i></p>	
<p>Customer contact service level (people answered within 120 secs) - <i>(NB. customer satisfaction levels continue to exceed performance target).</i></p>	<p>Performance Indicator – At risk/ change required</p>
<p>Average processing time for local planning applications (Statutory) - <i>(NB. The Planning Service continue to implement ongoing improvements within a currently challenging system).</i></p>	
<p>Develop and agree a new four-year Community Support Plan (2025-29) to improve how we provide support to our local communities and residents across the city – <i>(NB. Review of the Community Support Plan continues with a draft plan going to members in Q4).</i></p>	<p>Action - At risk/ change required</p>
<p>Develop the Belfast Physical Activity and Sport Development strategy and action plan to create a more active city – <i>(NB. Further work required from consultation findings, as a result the timescale to complete this has now moved to March 2025).</i></p>	
<p>Approval for a council single use plastics policy for the council - <i>(NB. Draft Single Use Plastics Policy is completed. The next steps will be to present this to CMT and committee).</i></p>	

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Performance Improvement Plan 2024-25 Reporting Cycle

- 3.4 The Panel are asked to remind themselves of the following 2024-25 Performance Improvement Plan reporting cycle below:

Quarter/ year	Report	ARP meeting
Q4 2024-25	Q4 Performance Report	June 2025
Q1 2025-26	Year-end Performance Assessment	September 2025

3.5 **Next steps**

- i. The Panel are asked to note that this report will be noted via the minutes of this panel which will be presented to the SP&R Committee on 21 March 2025.

4.0 **Financial & Resource Implications**

- 4.1 There are no financial or human Resource implications arising directly from this report.

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

- 5.1 There are no equality/ good relations or rural needs implications arising directly from this report.”

The Chairperson thanked the Director for the update which had been provided and paid tribute to the significant work which had been undertaken by staff.

The Panel agreed to recommend that the Strategic Policy and Resources Committee would adopt the recommendations outlined in the report.

**NIAO Performance Improvement
Audit and Assessment Report 2024-25**

The Chairperson welcomed Mr. R. Ross from the Northern Ireland Audit Office (NIAO) to the meeting.

He updated the Panel of the outcome of the NIAO Audit and Assurance Report (2024-2025) which stated that the Council had complied with its statutory performance duty.

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He reminded the Panel of the legislative duties and requirements in relation to performance improvement placed on Councils and the Local Government Auditor (LGA), as set out in Part 12 of the Local Government (Northern Ireland) Act 2014. Those included:

Councils

- Have a general duty to make arrangements to secure continuous improvement in the exercise of its functions.
- Set improvement objectives for each financial year.
- Publish a self-assessment of progress made against these improvement objectives before 30 September annually. This must take account of guidance issued by the Department for Communities.

Local Government Auditor (LGA)

- Audit the Council's assessment of its performance for 2023-24 and its improvement plan for 2024-25 in accordance with section 93 of the Local Government Act (Northern Ireland) 2014 (the Act) and the Code of Audit Practice for local government bodies.
- Perform an improvement assessment for 2024-25 at the Council in accordance with Section 94 of the Act and the Code of Audit Practice.
- Produce a report to comply with the requirement of section 95(2) of the Act.

The Members were advised that, as part of the process, Council officers had facilitated a series of site visits and meetings with NIAO officials as well as collating and presenting a substantive amount of evidence to demonstrate the Council's improvement journey.

The Local Government Auditor had certified performance arrangements with an unqualified opinion and concluded that, in relation to improvement planning and publication of improvement information, the Council had complied with its duties in relation to both in accordance with section 92 of the Act and had acted in accordance with the Department for Communities' guidance.

The Local Government Auditor had also conducted an improvement assessment and confirmed that the Council:

- Had discharged its duties under Part 12 of the Act.
- Had acted in accordance with the Department for Communities' guidance sufficiently.
- Had demonstrated a track record of ongoing improvement; and
- Was likely to comply with Part 12 of the Act during 2024-25.

The Panel was advised that the Local Government Auditor did not make any recommendations for improvement under section 95(2) of the Local Government (Northern Ireland) Act 2014 and that a special inspection would not be required.

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The Panel approved the NIAO Audit and Assessment Report (2024-25).

NIAO AUDIT Strategy 2024/25

Mr. R. Ross, Northern Ireland Audit Office, outlined the NIAO's Audit Strategy for Belfast City Council for the 2024-25 financial year and explained that it was intended to provide the Council with a clear understanding of how the audit was carried out and highlighted the key messages, that included the audit approach, significant risks that had been identified and other matters of interest.

The Panel noted the Audit Strategy and the Chairperson thanked Mr. Ross for his attendance at the meeting.

Audit and Risk Panel – Governance

The Head of Audit, Governance and Risk Services presented the undernoted report:

“1.0 Purpose of Report/Summary of Main Issues

1.1 To update the Panel and Board on the requirements of the new Code of Practice for the Governance of Internal Audit in UK Local Government.

1.2 The terms of reference for the Audit and Risk Panel, Audit Assurance Board and Audit, Governance and Risk Services are reviewed and updated annually. The purpose of this paper is to present the Audit and Risk Panel with these updated terms of reference for review and approval, along with the 2025 programme of business.

2.0 Recommendation

2.1 Given the responsibility of the Panel and Board for ensuring effective arrangements for the governance of internal audit, the Panel and Board are asked to note the requirements of the new Code of Practice for the Governance of Internal Audit in UK Local Government (the Code); note AGRS assessment of compliance with the new Code and agree the recommendations to ensure full compliance (Appendix A).

2.2 The Board / Panel are also asked to review and approve the updated:

- **Audit and Risk Panel's purpose and terms of reference statement (Appendix B)**

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- **Audit Assurance Boards constitution and terms of reference (Appendix C)**
- **Audit Governance and Risk Services terms of reference, including a review of the effectiveness of the safeguards in place to preserve the independence and objectivity of AGRS arising from our role in maintaining and supporting the implementation of the council's policies on Fraud and Bribery, Raising Concerns, Risk Management and Business Continuity (Appendix D)**
- **Audit and Risk Panel's indicative programme of business for 2025 (Appendix E).**

3.0 Main Report

Code of Practice for the Governance of Internal Audit in UK Local Government

3.1 The new Global Internal Audit Standards which come into effect from January 2025 include a new standard on the essential conditions for the governance of internal audit which are:

- **To be effective and to meet the requirements of professional standards, internal audit's authority needs to be established.**
- **Internal audit's activities require access to and support from senior management, the audit committee and those charged with governance. Support allows internal audit to apply their mandate and charter in practice and meet expectations.**
- **On behalf of those charged with governance and the audit committee, senior management establishes and protects the internal audit function's independence and qualifications.**
- **To ensure the effectiveness of internal audit, it should be overseen by the audit committee on behalf of those charged with governance**

3.2 The new CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government (the Code) applicable from 1 April 2025 sets out how these essential conditions should be applied in local government and aims to support the Panel and senior management in establishing their internal audit arrangements and providing oversight and support for internal audit. The consultation period for this new Code ended on 28 November 2024 and a final version

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was issued in early 2025. The Code is aimed at those responsible for ensuring effective governance arrangements for internal audit, which for BCC is primarily the Audit and Risk Panel and Audit Assurance Board. It is important that members of the Panel and the Board familiarise themselves with their responsibilities regarding the governance of internal audit as set out in the Code (appendix A).

- 3.3 The Code requires BCC to explain how it complies with the Code in its Annual Governance Statement.
- 3.4 AGRS has reviewed the provisions of the Code and subject to implementation of the following proposed improvement actions, has concluded that BCC complies with the Code:
- Agree the proposed minor updates to the Terms of Reference for AGRS to ensure they more specifically reflect the provisions of the Code (see para 3.12).
 - Incorporate a request for feedback from the Chair of the Panel into the Head of AGRS performance appraisal process.
 - AGRS to provide the Panel with a report for review on the results assessment of conformance against the GIAS (UK public sector), including the draft action plan.

Audit & Risk Panel Terms of Reference

- 3.5 The terms of reference of the Panel are important because they set out the role of the Panel in the context of the Council's governance structures. In line with good practice, the terms of reference for the Audit & Risk Panel are reviewed on an annual basis.
- 3.6 There have been no changes to the CIPFA guidance on the function and operation of audit committees issued in 2022 on 'Audit Committees: Practical Guidance for Local Authorities and Police' and 'Audit Committees Position Statement'. As such, our review did not identify any changes that are required to the Terms of Reference of the Panel, other than replacing references to the previous Public Sector Internal Audit Standards with a reference to the new Global Internal Audit Standards (GIAS) and Application Note on the GIAS in the UK Public Sector. The updated terms of reference for the Audit & Risk Panel are at appendix B.

Audit Assurance Board Terms of Reference

- 3.7** The Audit Assurance Board is chaired by the Chief Executive. The principal activity of the Audit Assurance Board is to review and consider reports from internal audit, external audit and management that are to be submitted to the Audit & Risk Panel - but from a top management / Accounting Officer perspective rather than a Member perspective. This process enables the Chief Executive and the Board to be assured (or otherwise) of current risk, control and governance arrangements and consider any issues that require management priority / attention / direction.
- 3.8** In line with good practice, we have reviewed the terms of reference and concluded that no changes are required. The terms of reference are at appendix C.

Audit, Governance and Risk Services Terms of Reference

- 3.9** As the Public Sector Internal Audit Standards (PSIAS) have now been superseded by the new Global Internal Audit Standards (GIAS) and the Application Note on the GIAS in the UK Public Sector Applicable, our terms of reference have been updated to reflect that AGRS operates to these new standards.
- 3.10** With reference to provision 1.2 of the Code regarding the Internal Audit Charter / Terms of Reference, we have updated our Terms of Reference to more specifically refer to how AGRS:
- Supports the delivery of the Council's strategic objectives;
 - Champions good practice in governance; and
 - Advises on governance, risk and control arrangements for major projects, programmes and system changes.
- 3.11** Section 7 of the AGRS Terms of Reference sets out the safeguards that are in place to preserve the independence and objectivity of AGRS arising from our role in maintaining and supporting the implementation of the council's policies on Fraud and Bribery, Raising Concerns, Risk Management and Business Continuity. In line with provision 2.1 of the Code, the Panel is asked to review the effectiveness of these safeguards.

3.12 In line with Principle 8 of the new Internal Audit Code of Practice we can confirm that the Responsibilities of AGRS and Scope of Work as set out in our Terms of Reference (combined with our processes for developing the internal audit strategy and plan) includes coverage of:

- Purpose, strategy and business model.
- Organisational culture.
- Internal governance.
- The setting of, and adherence to, the risks the entity is willing to accept.
- Key corporate and external events.
- Capital and liquidity risks.
- Risks of poor customer treatment, giving rise to conduct or reputational risk.
- Environmental sustainability, climate change risks and social issues.
- Financial crime, economic crime and fraud.
- Technology, cyber, digital and data risks.
- Risk management, compliance, finance and control functions
- Outcomes of processes.

3.13 The updated terms of reference for AGRS are at appendix D.

Audit & Risk Panel – Programme of Business 2025

3.14 In line with good practice the quarterly meetings of the Panel have been aligned with an indicative programme of business, designed to ensure that the Panel demonstrably addresses / discharges its roles and responsibilities as set out in its purpose statement / terms of reference. The indicative programme of business is attached at Appendix E.

3.15 Financial & Resource Implications

None.

Equality or Good Relations Implications/Rural Needs Assessment

None known at this time.”

The Panel agreed to recommend that the Strategic Policy and Resources Committee would approve the updated terms of reference along with the 2025 programme of business.

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Date of next meeting

The Panel noted that the next meeting was scheduled to take place on Tuesday, 3rd June at 12.30pm.

Chairperson