

# Audit Panel

Tuesday, 10th March, 2015

## MEETING OF AUDIT PANEL

Members present: Alderman Rodgers (Chairman);  
Councillors Hutchinson, Jones and Mullan; and Mr. D. Bell.

In attendance: Mr. R. Cregan, Director of Finance and Resources;  
Mrs. J. Minne, Director of Organisational Development;  
Mr. A. Harrison, Head of Audit, Governance and  
Risk Services;  
Mr. M. McBride, Head of Finance and Performance;  
Ms. C. O'Prey, Audit, Governance and Risk  
Services Manager;  
Mr. L. Mulholland, Acting Audit, Governance and Risk  
Services Manager;  
Mrs. E. Eaton, Corporate Health and Safety Manager;  
Ms. C. Kane, Director, Northern Ireland Audit Office;  
Mr. A. Knox, Audit Manager, Northern Ireland Audit  
Office; and  
Mr. H. Downey, Democratic Services Officer.

### **Apology**

An apology was reported on behalf of Alderman M. Campbell.

### **Minutes**

The minutes of the meeting of 13th January were taken as read and signed as correct.

### **Declarations of Interest**

No declarations of interest were reported.

### **Welcome**

The Chairman welcomed to the meeting Mrs. Colette Kane, Director, Northern Ireland Audit Office, who had replaced Mr. Rodney Allen on the Audit Panel.

### **Future Funding Considerations**

A Member pointed out that the Council was receiving an increasing number of requests for financial assistance from organisations seeking to undertake a wide range of projects and activities and highlighted the need for the assessment process to be transparent and in strict accordance with the Council's financial guidelines. That process

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should apply equally to the funding of activities which were outside the remit of the Council.

The Panel endorsed the comments which had been expressed by the Member.

**St. George's Market**

A Member referred to the recent issue regarding the decision of the Shadow Strategic Policy and Resources Committee of 20th February, which had been overturned subsequently by the Shadow Council, to displace traders in St. George's Market to allow for the hosting of a Web Summit.

The Panel agreed that it was important to ensure that external bodies were made aware that they must comply with the policies and procedures governing the use of Council facilities.

**Publication of Reports**

A Member highlighted the fact that it was a regular occurrence for reports to be received late and that this did not give Members sufficient time to consider them fully in advance of meetings.

The Director of Finance and Resources pointed out that there was a duty, under the Local Government Act (Northern Ireland) 2014, for information to be made available at least five days prior to a meeting and confirmed that officers were working to put in place a process to ensure that the Council complied with that requirement.

Noted.

**Transfer of Planning Function – Update on Readiness**

The Director of Development submitted for the Panel's consideration the undernoted report:

**“1.0 Relevant background information**

- 1.1 On 1st April 2015, a range of planning functions will transfer from DOE to the council. The Senior Responsible Officer (SRO) for this 'project' is John McGrillen and a programme team of DOE and BCC officers is coordinating delivery of a detailed project plan. A project board (the 'Planning Panel') has also been established with input from across Council.**
- 1.2 The transfer of planning is largely seen in two phases - transition and transformation. The current priority is a successful transition. Namely, ensuring the Council can discharge its statutory duties and deliver business critical planning functions from 1st April, 2015.**

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- 1.3** At its meeting on 13th January, the Council's Audit Panel requested that the SRO submit to the Shadow Planning Committee a state of readiness report (and that this be forwarded to the Audit Panel following Shadow Planning Committee consideration). A report was subsequently presented to Shadow Planning Committee in February and also to the Council's Assurance Board and Audit Panel in early March.
- 1.4** The purpose of this report is therefore to provide an update on readiness since the previous report to committee and highlight key areas requiring further action and the proposed work to address these. Readiness in this instance has been judged by our ability to:
- 1.** Receive and process new, or live, applications for planning permission, Tree Preservation Order requests and enforcement case; *and*
  - 2.** Support the work of the new Planning Committee.
- 1.5** Information on the key deliverables which must be in place in order for this to happen has been circulated to the Panel. The information provides an assessment of readiness, indicated by a Red, Amber, and Green (RAG) status. This has been informed by input from officers and senior managers across council.
- 1.6** The SRO's assessment at this time indicates that the majority of tasks are either completed or on target for completion within the required timescales and, as such, it is considered that the Council is well placed to deliver planning from 1st April 2015. However, given the scale of change and ongoing issues that still need to be managed regarding the portal, processes, governance arrangements and staff transfer, it is inevitable that issues will arise in the early weeks and months following the transfer of planning. Any such issues will continue to be managed by the project team in consultation with planning staff.
- 2.0** Summary of key issues
- 2.1** There are a number of key issues of which members should be aware. These are summarised below with details of current and proposed mitigating actions. Further detail on these and other work streams is outlined in the appendix.
- 2.2** These actions have been included within the project plan and issues log that is reported regularly to the Planning Panel and

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**TMT. Key issues that remain critical in relation to day 1 include:**

**2.3 Planning Portal**

- the re-configuration and testing of the NI Planning Portal is an ongoing process and is being delivered by the DOE.
- the Portal will continue to be 'owned' by the DOE at a regional level and therefore the Council does not have the ability to change or adapt it.
- the Council is therefore reliant upon the DOE to ensure that the system meets operational needs and is operational from 1st April.
- the DOE will not provide access to the Portal from the BCC network until 1st April.

**Mitigating Actions**

1. Staff from the Belfast Planning Office have been nominated to attend the DOE portal testing schedule and provide feedback on system updates.
2. Connectivity to the Portal on the BCC network has been established and tested.
3. A regional governance structure for the ongoing management and subsequent replacement of the portal (post 2019) is to be agreed by Chief Executives.
4. A business continuity plan will be put in place to respond to any potential connectivity issues.

**2.4 Regional SLAs**

- A number of services will be delivered through a shared services agreement i.e. facilitated by one council on behalf of all 11 councils. Examples include Property Certificates and environmental services.
- An SLA, provided by the DOE, outlining how they will be resourced and how councils can access them, is to be agreed.

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- **Regional SLAs with statutory Consultees must also be agreed. NILGA were originally asked to lead this work stream, however these have not been sufficiently progressed and are not yet agreed.**

**Mitigating actions**

- **The new councils have agreed to lead the development of new SLAs with statutory consultees in place of NILGA. Belfast City Council will progress the SLAs with DRD and Northern Ireland Water. It should be noted however that the Planning Act (NI) 2011 places the onus on statutory Consultees to respond within a stated timeframe and therefore provides sufficient protection for the Council as planning authority to proceed with decision making.**
- **Shadow Planning has granted authority to the Chief Executive to enter into an SLA for the provision of shared environmental services.**

**2.5 Telephony**

- **Belfast City Council, along with 8 of the other new Councils, will be maintaining the use of NI Direct for call handling.**
- **Customers will therefore continue to use the same contact number (0300 200 7830) and calls will be transferred to staff in Cecil Ward as required.**
- **Guidance has been given to Council telephony staff on what to do should they receive calls directly through the Council exchange however further work is required to confirm that this system interface will be in place for day 1.**

**Mitigating actions**

1. **Council has been meeting directly with NI Direct and data transfer between systems has been confirmed; though voice transfer is still to be confirmed.**
2. **Communications is being sent to all applicants/objectors/correspondents from 2nd April to confirm the change of contact details and new office location.**

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3. Council will ensure that key staff have direct dials and mobiles/blackberries to ensure staff are accessible to members and the public as required.

## **2.6 Transitional Arrangements**

- Arrangements are required in order to manage the transfer of live applications from transferring areas. This includes arrangements for handover by case officers, relocation of Portal reference numbers, allocation of fees for partially processed applications and transfer of hard files.
- Consideration is also required in relation to how deferrals by the existing Town Planning Committee will be handled.

### **Mitigating actions**

1. Further input from DOE is to be sought in relation to transitional arrangements and in particular the allocation of fees.
2. The local Area Planning Manager has been engaging with his Lisburn & Castlereagh counterpart to determine the volume and complexity of transferring cases .
3. Democratic Services has scheduled an additional Town Planning Committee meeting in order that any outstanding deferred cases can be considered before transfer.

## **3.0 Recommendation**

**The Audit Panel is requested to note this report.”**

During a lengthy discussion, Members highlighted a number of issues arising from the report, particularly around the continued operation of the planning portal and the proposal to retain the NI Direct number for call handling. It was suggested that it would be preferable for persons wishing to access the Planning Service to contact the Council directly.

In response, the Director of Development confirmed that callers were accustomed to using NI Direct to contact the Planning Service and that it was considered appropriate to continue with that arrangement during the transition process. He added that anyone contacting the Council directly with a planning query would be diverted via NI Direct to the Planning Service.

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The Director of Finance and Resources reported that a Service Level Agreement was being drafted currently between the Council and the Department of the Environment governing the future use by the Council of the Planning Portal and that consideration would be given in due course to enhancing the system. He added that the Council was examining currently a telephony system, with a view to potentially providing in due course a single point of contact for all Council services.

After further discussion, during which it was confirmed that there would be no charge incurred by the Council in operating the Service Level Agreement, the Panel noted the information which had been provided and agreed that a report be submitted to a future meeting providing an update on the effectiveness of the first three months of the new telephony arrangement.

**Audit and Risk Panel – External Member Arrangements**

(Mr. D. Bell left the meeting whilst this matter was under discussion.)

The Head of Audit, Governance and Risk Services reported that the Audit Panel had, for a number of years, in line with best practice, employed the services of an external, independent member in order to assist it in discharging its responsibilities. Since 2011, that role had been fulfilled by Mr. David Bell, whose current contract was due to expire at the end of March.

He explained that, given that Mr. Bell had attended meetings during 2014/2015, it would be appropriate for him to remain in place until the year-end reports relating to the current financial year were presented to the Audit Panel in the first quarter of 2015/2016. He added that the Legal Services Section had confirmed that the arrangement would be acceptable and that Mr. Bell had indicated that he would be content to continue in the role until that time.

The Head of Audit, Governance and Risk Services pointed out that reports would be submitted to the inaugural meeting of the Audit and Risk Panel to address issues such as its terms of reference and annual programme of business, the Audit, Governance and Risk Services Plan for 2015/2016 and associated reporting arrangements, training for members and the recruitment of an external member.

The Panel approved the extension of Mr. Bell's contract until June, 2015.

**Corporate Risk Management**

The Panel considered the undernoted report:

**“1 Relevant Background Information**

**The purpose of this report is to:**

- a) advise the Audit Panel of the main issues arising from the review by Chief Officers of the corporate risks and to present the updated corporate risk**

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register for the quarter end December 2014 for review and approval

- b) report to the Audit Panel on the assurance provided by Directors, in consultation with their departmental risk champions on the risk management processes within their department

**2 Key Issues**

**Updates to the Corporate Risk Register and Compliance with Risk Management Processes**

- 2.1 Following the quarterly review, Directors / Departmental Risk Champions have confirmed that they are content that the corporate risk register reflects the key risks facing the Council and that they are appropriately assessed. The main proposed updates arising from this review are as follows:

**2.2 Waste Management**

Following discussion, CMT has proposed that the corporate risk 'Failure to manage the city's waste in accordance with statutory duties, targets and public expectations' is expanded to read as follows:

'Failure to manage the city's waste against targets and public expectations because of changing statutory or demand circumstances that cause costs to rise significantly or be profiled in a manner that could not have reasonably been anticipated through the annual budget cycle or covered through normal financial provisions.'

**2.3 Emergency Planning**

The Head of Environmental Health and Lead Compliance Officer has highlighted a new risk cause that relates to the potential lack of funding from DOE for the Scheme of Emergency Financial Assistance (SEFA) to district councils in 2015-16. As a result the Head of EH&LCO will continue to monitor developments in this area and will review the risk assessment as appropriate.

**2.4 EU / External Funding**

The Departmental Risk Champion (Property and Projects) has indicated that further work is required in respect of this and the Investment Programme risk that this is being worked on and will be fed into the system and CMT as it crystallises.



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**2.5 Leisure Transformation Programme**

The current risk action plan concentrates on the arrangements to have a contract in place for the operation of the leisure centres by 31 December 2014. The Director of Parks & Leisure has indicated that this risk should be reviewed to ensure that it reflects the new phase of the programme to include monitoring of the operations being delivered alongside the ongoing capital work. AGRS will discuss this with the Assistant Director of Parks and Leisure.

**2.6 Operating Model at the Waterfront- New Corporate Risk**

Given the corporate implications, CMT have proposed that there is a new corporate risk around the implementation of the operating model at the Waterfront. A corporate risk action plan will be developed which will take account of the underlying project risk register.

**2.7 Compliance with Risk Management Processes**

AGRS can confirm that, for the quarter ending December 2014, all Chief Officers have signed their Quarterly Assurance Statements. The Director of Property however, has heavily caveated his statement in respect of point 2.4 (above). The Director is very concerned that the risks are now the culmination of a series of decisions made during the early life of the projects and these are now materialising as projects go on site. Work is ongoing to understand/articulate the risks and the actions required to move forward.

2.8 The corporate risks are displayed overleaf and were agreed by CMT and the Assurance Board on 4 March 2015. The list of 'high risk' projects (which each have individual risk reports) has been circulated to the Audit Panel.

**Corporate Risk Register - Q/E December 2014**

Ref.	Risk Name	Risk Owner	Impact	Likelihood	Current Rating
1	Information systems & procedures	DFR	4	4	High
2	Sustain & enhance the rate base *	DFR	5	3	High
3	Local government reform *	DFR	4	3	Major
4	Failure to attract EU / other external funding *	DPP	4	3	Major

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5	Failure to manage the City's waste	Head of EH and LCO	4	3	Major
6	Health and safety of employees and others	DFR	5	2	Major
7	Leisure transformation programme *	DPL	5	2	Major
8	Poor financial planning	DFR	4	2	Significant
9	Rates	DFR	3	3	Significant
10	Investment programme	DPP	3	3	Significant
11	Business continuity	DFR	3	3	Significant
12	Failure to manage staff resources	DOD	3	3	Significant
13	Good governance	DFR	4	2	Significant
14	Failure to strategically manage the Council's assets	DPP	4	2	Significant
15	Major incident response – emergency planning	Head of EH and LCO	4	2	Significant

**2.9 AGRS Review of the Management of Key Corporate Risks**

In the Annual Governance Statement (AGS) for y/e March 2014, 7 significant issues were declared, 4 of which related to the following corporate risks, which are marked with an asterisk in the register above:

- Sustain and enhance the rate base
- Local government reform (LGR)
- EU / other external funding
- Leisure transformation programme

**2.10** It is likely that the above risks will also be declared in the AGS for y/e March, 2015.

**2.11** In line with previous years, in order to support the CMT / Assurance Board / Audit Panel in their review and recommendation of the AGS to the SP&R Committee for approval, AGRS proposes to undertake a focused review of the management of the risks listed at paragraph 2.9, with the exception of the LGR risk, *'Failure to ensure BCC is ready to meet the challenge of LGR and effectively implement the related emerging legislative requirements'*. We do not propose to review the management of the current LGR risk because it is time bound and therefore it is not appropriate for AGRS to review how this risk is being managed in April, 2015.

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- 2.12 The timetable for the review of the corporate risks by AGRS has been circulated to the Panel. In order to meet the timeframe for the production of the AGS for the y/e March 2015, CMT were asked to ensure that all of the corporate risks are reviewed and the risk action plans updated by 31 March 2015.

**Risk Management Process**

- 2.13 The AGRS draft plan for 2015/2016 includes provision for review / further development of the risk management process in 2015/2016. It is anticipated that this will focus on improving the integration of the process with business planning and other management processes and enabling the new committees to identify and monitor their key risks. An approach is being developed initially within the Finance and Resources Department.

**Business Continuity Management**

- 2.14 As at 25th February 2015, 12 of the 15 critical services have submitted 'BC Exercise Planning' reports setting out how they plan to exercise their business continuity arrangements during 14-15. Democratic Services, Digital Services and Fleet Management have not yet submitted their BC Exercise Planning reports.
- 2.15 To date, 5 critical services have undertaken their exercise for 14-15 and have submitted a report, they are; Cleansing, Births Deaths Marriages and Civil Partnerships, Bereavement Services, Corporate Health and Safety and Financial Services.
- 2.16 Regarding LGR, AGRS has developed the Business Continuity section of the Transition Plan Checklist which aims to ensure that services can respond effectively to an incident. We have also ensured that business continuity is included within the risk registers for Planning and off street car parking.

**3 Resource Implications**

- 3.1 Financial  
None

- 3.2 Human Resources  
None

- 3.3 Asset and Other Implications  
None

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**4 Equality Implications**

**4.1 None**

**5 Recommendations**

- 1. The Audit Panel is requested to review and approve the updated corporate risk register for Q/E December 2014, including the new corporate risk in relation to the operating model at the Waterfront and the updated wording for the city waste risk.**
- 2. The Audit Panel is asked to note that there is ongoing work relating to the EU / external funding risk and that the outcome of this work will be reported to CMT in due course.”**

After discussion, the Panel adopted the recommendations.

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

The Panel considered a report which provided an overview of the work which had been carried out over the previous three months by Audit, Governance and Risk Services.

The Acting Audit, Governance and Risk Services Manager confirmed that a follow-up audit of the Corporate Complaints procedure had been completed and that the Service was in the process of finalising audits in relation to fuel security and control, accounts payable, accounts receivable, treasury management, the Chief Executives' Forum, financial control arrangements at the Belfast Waterfront and Ulster Halls and cemeteries/Roselawn Crematorium. In addition, independent reviews relating to work being managed by Audit, Governance and Risk Services had been undertaken in relation to corporate health and safety and the whistleblowing policy and related arrangements.

He informed the Panel that Audit, Governance and Risk Services had undertaken extensive audit work around Local Government Reform and governance, particularly in relation to the planning function and that it had, in conjunction with the relevant Project Team, organised a planning exercise and a workshop in order to help increase organisational readiness for 1st April. In addition, workshops had been held around the risk control framework for the planning process and an exercise had been facilitated to assess the Council's ability to respond to a range of scenarios which were likely to arise from 1st April onwards. He added that Audit, Governance and Risk Services had commenced the delivery of training to Members on fraud, bribery and the Planning Code of Conduct and that it was involved in seven ongoing investigations across the Council in relation to fraud/whistleblowing.

After discussion, the Panel noted the information which had been provided.

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**Audit Recommendations Monitor**

The Panel was reminded that its Terms of Reference included provision to consider reports from Audit, Governance and Risk Services on agreed recommendations which had not been implemented within a reasonable timescale.

The Audit, Governance and Risk Services Manager reported that Audit, Governance and Risk Services undertook, on a twice yearly basis, a monitoring and validation exercise to determine the progress of actions arising from those recommendations, the latest of which had been conducted in January. She explained that, following the completion of that exercise, 57 of the 212 outstanding actions had been closed and provided details of areas across the Council where significant progress had been made. She highlighted also a number of areas where further work was required to implement fully outstanding actions, including overtime working, facility management agreements, the use of consultants/procurement and IT asset management and infrastructure. A further review of progress against recommendations was due to take place in six months' time.

Noted.

**Update on Corporate Health and Safety Performance**

The Corporate Health and Safety Manager provided the Panel with an update on the corporate health and safety performance and associated activities for the third quarter of 2014/2015. She confirmed that 113 employee accidents had been reported over the course of the quarter, which represented an increase of five on the previous three months. Those accidents, which had been spread across Departments and accident types, would be reviewed at the next meeting of the Corporate Health and Safety Committee. The number of accidents which had been categorised under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations had been four less than in the previous three months.

She pointed out that the Council had completed 76% of the health and safety actions which were due to be implemented over the quarter, which was 4% less than the target figure. She provided a breakdown of those actions on a Departmental basis and highlighted high priority actions which were still to be addressed. She confirmed that the Corporate Health and Safety Risk Register had been reviewed at the end of the quarter and no amendments had been required. Finally, independent reviews of the Council's corporate health and safety arrangements had been completed recently, the results of which would be reported to the Panel later in the meeting.

After discussion, the Panel noted the information which had been provided.

**Corporate Health and Safety – Independent Review of Arrangements**

The Panel considered the undernoted report:

“1       **Relevant Background Information**

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**1.1** The purpose of this report is to provide an update to the Audit Panel on two independent reviews relating to the council's corporate health and safety arrangements that have recently been completed and the proposed action to address the issues arising in the reports.

**2** **Key Issues**

**2.1** **Quadra 'internal audit' follow-up review of council health and safety arrangements**

**2.1.1** In 2012 an external firm, Quadra Ltd, undertook an 'internal audit' review of the council's corporate health and safety arrangements. The review was undertaken by an external firm because the Head of AGRS was functionally responsible for the Corporate Health and Safety Unit (CHSU) and was not therefore in a position to undertake an independent review of this area. The resulting report contained 34 recommendations and provided an 'amber' level of assurance with regard to the council's corporate health and safety arrangements.

**2.1.2** A follow-up review was undertaken by Quadra in December 2014. A copy of the detailed Quadra report has been circulated to the Audit Panel. Of the 34 recommendations in the original Quadra review, Quadra have found that:

- 14 have been fully implemented
- 17 have been partially implemented
- 3 have not been implemented

**2.1.3** Quadra has reported that 'it is assuring to note that all of the high priority recommendations have either been implemented or partially implemented.'

**2.1.4** Of the three actions not implemented two were 'low priority' issues relating to a training procedure and establishing benchmarking arrangements with another local authority. The other outstanding issue (recommendation 30) relates to considering the appointment of health and safety co-ordinators within the sections and training them to implement the corporate health and safety management arrangements within the various sections of the council. This is an issue that the Corporate Health and Safety Unit is now looking to address through implementation of a comprehensive assurance reporting framework on the management of corporate

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health and safety risks (see section 2.2 of this report (below)).

**2.1.5 With regard to the recommendations which have been partially implemented, these relate to the following areas:**

- **The corporate health and safety risk assessment and the development of related policies and assurance reporting processes (recommendations 7, 8 and 34)**
- **Objective setting (recommendation 11)**
- **Implementation of self-assessments for low risk locations (recommendation 12)**
- **Involvement of senior management in health and safety audits / visits (recommendation 16)**
- **Management / Member training (recommendations 19 -21)**
- **Consideration of health and safety responsibilities in senior management appointments and appraisals (recommendation 17 and 24)**
- **Improvement to specific procedures (recommendations 18, 22, 31 and 33).**

**2.1.6 An action plan to address these issues has been forwarded to the Panel and will be input into the MK Insight action tracking system and monitored in the same manner as other audit recommendations.**

**2.2 Review and Development of Information Reports on the management of the council's key health and safety risks**

**2.2.1 The main purpose of the Audit Panel is to receive assurances on the Council's key risk, control and governance arrangements and, in turn, to provide an assurance, through the Committee system, to council on the adequacy and effectiveness of these arrangements.**

**2.2.2 Clearly, in this context, health and safety risks need to be properly identified, assessed and managed and the council needs to have a process of getting meaningful assurances that this is the case. The council has identified its key corporate health and safety risks and these have been**

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reported to the Audit Panel. To re-cap, the council has identified its key corporate health and safety risks as follows:

1. Event safety
2. Asbestos and legionella
3. Fire safety
4. Work related transport
5. Working at height
6. Control of contractors
7. Plant and machinery
8. Work related aggression and violence
9. H&S Assurance - Corporate Health and Safety Unit (CHSU) does not provide reasonable assurance to Chief Officers and Members on the management of health and safety risk within the Council
10. Health and Safety of employees and others - Failure to protect the Health and Safety of employees and others and ensure compliance with Health & Safety legislation
11. H&S Support - Failure of CHSU to provide effective support to Council officers in managing their H&S risks

**2.2.3** While the quarterly health and safety update report provides some information on the management of health and safety, there are gaps and, with this in mind, the Unit commissioned an independent review of the current arrangements, comparison with best practice and sought recommendations regarding the steps that the council should take to implement an effective assurance framework around these risks.

**2.2.4** Following a competitive quotation exercise, Deloitte were appointed to undertake this review. The report itself is quite lengthy and has therefore has not been reproduced here, as it goes into some operational detail on the individual risk areas (in terms of the detailed controls / assurance reporting arrangements that should be put in



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place etc). However, the key issues arising from the review can be summarised as follows:

- the reports currently presented to the H&S Assurance Board (and by implication the Audit Panel), provide limited, detailed information on the management of the corporate health and safety risks
- there are however, a number of control measures in place within the business to manage each of the various corporate health and safety risks; the absence of formal assurance reporting does not imply that the risks are not being managed
- in relation to a number of the risks, there are existing processes that provide a degree of assurance regarding council arrangements. However, assurance reports either need to be developed to reflect the outcomes of the various activities / reviews that take place (e.g. fire safety) or existing assurances need to be 'reported up' and provided to the H&S Assurance Board (e.g. asbestos and legionella)
- in relation to some of the risks, such as event safety, further work is needed on policy development and implementation to enable effective assurance reporting
- while Deloitte's benchmarking has not established any universal 'best practice' regarding reporting on health and safety risks, Deloitte have recommended the use of health and safety assurance statements, to be completed by senior management on a six monthly basis and the development / reporting on metrics in relation to key risks.

**2.2.5** To implement the issues identified in the report, the Corporate Health and Safety Unit (CHSU) will work with departments / services to implement a corporate assurance framework. The Unit's budget provides for the resourcing of this work, including the related policy work that will be required in certain key areas. An action plan to implement, on a phased basis, a comprehensive assurance framework is attached at Appendix 3 to this report. This process will enable the Audit and Risk Panel to get improved, specific assurances on key risk areas.

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- 2.2.6** Implementation of the framework will include establishing a 'network' of officers from departments / services who can act as a liaison points with the CHSU. We anticipate that this network would draw upon officers already heavily engaged in health and safety responsibilities within their respective departments / services. These officers will be consulted on and subsequently provide information on the management of health and safety risks, such as would also enable completion of senior management assurance statements on health and safety management. This work will, of course, assist Directors and senior managers in discharging their health and safety responsibilities.

**3** **Resource Implications**

**3.1** **Financial**

None - planned work provided for in CHSU budget.

**3.2** **Human Resources**

As above re CHSU. Limited additional resource impact expected for services / departments.

**3.3** **Assets and Other Implications**

None

**4** **Equality and Good Relations Implications**

**4.1** None

**5** **Recommendation**

- 5.1** The Audit Panel is requested to note the outcome of the two independent reviews which have been undertaken into the council's corporate health and safety arrangements, the action plans that have been put in place to address the actions arising from these reviews and that progress on the implementation of these action plans will be reported to the Audit and Risk Panel on a quarterly basis during 2015/2016."

After discussion, the Panel adopted the recommendation.

**Employee Costs 2014/2015**

The Head of Finance and Performance submitted for the Panel's consideration a report which provided an overview, on a corporate and departmental basis, of staffing, overtime and agency costs for the third quarter of 2014/2015. He reported that staff costs had accounted for £66,728,931.75 over that period, which represented an overall underspend of £435,867.41 (0.65%) of the annual budget. Overtime costs and agency

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costs had accounted for £3,127,490.94 (4.69%) and £2,936,646.39 (4.40%) of direct employee costs, respectively.

Noted.

**Absence Rates 2014/2015**

The Panel considered a report providing information in respect of the absence figures for the third quarter of 2014/2015. The Director of Organisational Development reported that sickness absence per employee for that period had been 7.91 days, which meant that the Council would be slightly above its agreed target of 10 days for the current year. She pointed out that the number of absences which had been classified as long term (20 days or more) during the quarter had been 62.03%, as opposed to 58.71% for the corresponding quarter in 2013/2014. Furthermore, there had been an increase in the number of staff with recorded absence, viz., 50.90%, compared to 45.88% in the same quarter in the previous year.

She pointed out that five of the Council's six Departments were on course to meet the absence target for the current year, with the exception being the Health and Environmental Services Department which had experienced a higher than normal level of long-term absence. She confirmed that Corporate HR conducted fortnightly meetings with all Departments to ensure that timely and appropriate action was taken to manage sickness absence effectively.

The Panel noted the information which had been provided.

**Northern Ireland Audit Office – Audit Strategies 2014/2015**

The Panel was reminded that the Northern Ireland Audit Office produced each year an Audit Strategy prior to its audit of the Council's financial statements. The Strategy summarised the purpose of the audit, the Audit Office's approach, the significant risks which it had identified which could impact upon the audit opinion and other matters of interest.

The Director of the Northern Ireland Audit Office reported that Audit Strategies had been formulated in respect of the Belfast City and the Belfast District (Shadow) Councils for the period ending 31st March, 2015 and for the Statutory Transition Committee up until 19th June, 2014. She provided a brief overview of those Strategies and pointed out that the one relating to the Shadow Council had identified no significant risks. However, the Strategy pertaining to the Belfast City Council and the Statutory Transition Committee had revealed two significant risks, namely, Landfill Gas Income/Landfill Aftercare Cost Provision and the Leisure Transformation Programme, which required special consideration during the audit of the Council's accounts.

Noted.

**Meeting of Audit Panel,  
Tuesday, 10th March, 2015**

**Expression of Thanks**

The Chairman reported that this would be the last meeting of the Audit Panel, as it would, under the Council's new governance arrangements, be reconstituted as the Audit and Risk Panel.

He thanked those Elected Members, external members, representatives of the Northern Ireland Audit Office and Council officers who had, over the years, contributed to the success of the Audit Panel.

**Date of Next Meeting**

It was noted that details of the inaugural meeting of the new Audit and Risk Panel would be publicised in due course.

Chairman