

# Audit and Risk Panel

Tuesday, 11th September, 2018

## MEETING OF AUDIT AND RISK PANEL

Members present: Councillor Craig (Chairperson);  
Councillors Carson and Hutchinson;  
and Mr. R. Cox.

In attendance: Mr. R. Cregan, Director of Finance and Resources;  
Mr. A. Harrison, Head of Audit, Governance  
and Risk Services (AGRS);  
Mr. M. McBride, Head of Finance and Performance;  
Mr. T. Wallace, Financial Accounting Manager;  
Mr. L. Mulholland, Audit, Governance and Risk  
Services Manager;  
Mrs. C. O'Prey, Audit, Governance and Risk  
Services Manager;  
Mrs. E. Eaton, Corporate Health and Safety Manager;  
Mr. P. Murray, Head of Human Resources;  
Mrs. C. Kane, Director, Northern Ireland Audit Office; and  
Ms. E. McGoldrick, Democratic Services Officer.

### Apologies

Apologies were reported on behalf of Alderman Rodgers and Councillor Armitage.

### Minutes

The minutes of the meeting of 5th June were taken as read and signed as correct.

### Declarations of Interest

Mr. Cox declared an interest in Item 2. b) Recruitment of External Member to the Audit and Risk Panel, in that he was currently the post holder of the position.

### Audit and Risk Panel Governance

#### Recruitment of Head of Audit, Governance and Risk Services (AGRS)

The Panel noted that the current Head of AGRS was taking a year's career break from the end of September and that Mrs. C. O'Prey, Audit, Governance and Risk Services Manager, had been appointed into this role in the interim.

#### Recruitment of External Member to the Audit and Risk Panel

The Director of Finance and Resources advised that the recruitment of the External Member to the Audit and Risk Panel would be through a consultancy agreement and it was proposed that the appointment, as in previous years, was made by an appropriate Selection Panel.

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He suggested that the Selection Panel for the Non-Executive Member of the Audit and Risk Panel comprise the Chair of the Audit and Risk Panel (or their nominee), another member of the Audit and Risk Panel from a political party not represented by the Chair, the Director of Finance and Resources and a senior manager from Human Resources Section. The Selection Panel would conduct short-listing and interviews for this position in accordance with the Local Government Staff Commission Code of Procedures on Recruitment and Selection.

The Panel approved the proposed process to appoint an external member to the Panel, and agreed that the Chairperson and Councillor Carson would sit on the Selection Panel.

**Audit, Governance and Risk Services Terms of Reference/Charter - Annual review**

The Head of Audit, Governance and Risk Services (AGRS) advised the Panel that, in line with good practice, the agreed annual programme of business provided for an annual review of the purpose and terms of reference for Audit, Governance and Risk Services (AGRS). He reported that the purpose and terms of reference of AGRS were important because they set out the purpose, authority, reporting arrangements, access and scope of the internal audit function so that all stakeholders had a clear understanding of the role of the internal audit function, its powers and responsibilities.

The Panel approved the AGRS terms of reference (copy available [here](#).)

**Absence Rates Quarter 1 - June 2018**

The Head of Human Resources advised the Members that, for quarter 1 of 2018/2019, the average sickness absence per full time employee had been 3.11 days. He pointed out that there had been a slight decrease in the number of staff with no recorded absence this period, with 77.38% compared to 77.47% for the same period last year. The Panel was advised that levels of long term absence, (that is, of twenty days or more) had decreased slightly, with 67.43% of long term absence compared to 67.46% in the same period last year.

The Panel was provided with the absence performance for each department, against their agreed corporate target of 10 days:

	Proposed Target for 18/19 *	Where we should be at end of June 18	Actual absence at end of June 18	Variance	Actual absence at end of June 17	% of workforce	% of absence
BCC	10.00	2.50	3.11	0.61	3.04		
Chief Executive's	7.00	1.75	2.13	0.38	1.97	8.73%	5.89%
Finance and Resources	6.00	1.50	1.97	0.47	2.2	7.94%	5.03%
City and Neighbourhood Services	11.50	2.88	3.59	0.71	3.44	59.75%	68.96%
Development Department	7.00	1.75	2.91	1.16	2.35	4.22%	3.95%
Planning and Place	7.00	1.75	2.33	0.58	n/a **	6.64%	4.98%
Property and Projects	10.00	2.50	2.73	0.23	3.25	12.72%	11.18%

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\*at CMT on 23 May 2018, it was proposed that whilst the council continues to undergo significant organisational change, no departmental targets are set. The above targets are based on 2017/18 targets and can be used as a guide to gauge how departments are currently performing.

\*\* Planning and Place absence was reported under Chief Executive's department for quarter one in 2017. On 08 December 2017, the Audit Panel requested that Planning and Place absence be reported independently to Chief Executive's department.

The Head of Human Resources outlined that sickness absence, as classified under the Disability Discrimination Act (DDA), currently accounted for 25% of overall sickness absence and 41.9% of disability related absence was managed as long term.

He highlighted that Absence Management Training was being rolled out across the organisation for all managers who had responsibility for managing absence and that discussions of specific cases and compliance issues would take be considered at future Department Meetings.

The Panel noted the update which had been provided and that absence statistics would be reported on a 3 year trend basis in the future.

**Update on Corporate Health and Safety Performance Report**

The Corporate Health and Safety Manager provided the Panel with an update in relation to the Council's Health and Safety performance during the period ending 30th June, 2018. She reviewed the progress which had been achieved in relation to the key performance indicators, where initially 46% of the health, safety and fire actions had been completed, below the target of 80%, however, after further work by departments this had increased to 80% by 24th August.

She reported that there had been 18 non-employee accidents, with an increase of 1 from quarter four. The Panel was advised that the number of employee accidents for the quarter had decreased to 42, which was 28 less than in quarter four. She reported further that the highest number of accidents had been caused by employees being injured while lifting or carrying, or through slips, trips or falls.

The Panel was informed that the number of RIDDOR reportable accidents had decreased by 5 to 13 from the previous quarter. She explained that three of the reports were in the category of slip, trip or fall; four were lifting and carrying; three were being struck by moving objects; two were contact with moving machinery and one was as a result of an employee being struck on the leg / foot by a car.

She reported to the Panel that there had been a decrease in the number of reported Work Related Violence incidents from quarter four, down to 14 incidents, the majority of which were of verbal abuse, threats and vehicle attacks against front line staff.

The Panel noted the Greenwich Leisure Limited (GLL) accident figures from the previous quarter and noted that no RIDDOR accidents had been reportable during quarter 1 of 2018/2019.

She highlighted to the Panel that, during quarter one of 2018/2019 the following correspondence had been received:

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- Health and Safety Executive Northern Ireland (HSENI), June, 2018: HSENI investigation into a complaint of suspected asbestos exposure from an employee in the Duncrue Complex. The investigation was ongoing at this time, however the HSENI had now confirmed that their investigation had not found evidence of asbestos exposure; and
- Northern Ireland Fire and Rescue Service (NIFRS), June, 2018: NIFRS on site review of their site specific risk assessment for City Hall. No issues identified.

The Panel noted the information which had been provided and the ongoing progress which was being made against key corporate health and safety priorities for the quarter.

**Northern Ireland Audit Office (NIAO) - Financial Statement of Accounts**

The Panel considered the following report which had been prepared by the Financial Accounting Manager and his team:

**“1.0 Purpose of Report or 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 31 March 2018.**
- 1.2 The Statement of Accounts are 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 31 March 2018, as attached, have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 based on International Financial Reporting Standards and the Department for the Communities Accounts Direction, Circular LG 05/18 dated 9 March 2018.**
- 1.4 I can confirm that the Statement of Accounts for the year ended 31 March 2018 has been prepared in the form directed by the Department for the 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**

- **Recommend that the Strategic Policy and Resources Committee approve the Council's Statement of Accounts and incorporated Annual Governance Statement for the year ended 31 March 2018.**

**3.0 Main report**

**Key Issues**

**3.1 Audit Opinion**

**It is the Local Government Auditors' 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 2017-18, of the financial position of Belfast City Council as at 31 March 2018 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 31 March 2018 is consistent with the financial statements.**

**Reserves**

**3.2 General Fund**

**The credit balance on the General Fund has increased to £24,408,596 (of which £10,738,347 relates to specified reserves). The movement on the reserves balance is summarised in Table 1 below:**

**Table 1: Summary of Reserves Position**

Opening Balance	£21.0m
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In year movement in reserves	£ 3.4m
<b>Closing Balance</b>	<b>£24.4m</b>
Specified Reserves at year end	<u>£10.7m</u>
<b>Balance Available</b>	<b><u>£13.7m</u></b>

**Capital Fund            £25,669,445**

- 3.3    The Capital Fund is made up of the Belfast Investment Fund (£4,080,715). 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 (£2,301,028) to fund smaller local regeneration projects., the City Centre Investment Fund (£15,287,702) to support the Belfast City Centre Regeneration Investment Plans, the Social Outcomes Fund (£4,000,000) 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.

**Leisure Mobilisation Fund    £1,704,334**

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

**Capital Receipts Reserve    £4,739,457**

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

**Other Fund Balances and Reserves    £867,527**

- 3.6    This relates to the Election Reserve (£513,919) which has been set up to smooth the cost of running council elections, the BWUH Subvention Fund (£169,638) to support national and international organisations in bringing their conferences to Belfast and the BWUH Sinking Fund (£183,970) to support planned maintenance and future capital works at the new exhibition centre.

**Debt**

- 3.7    The overall level of trade debtors had decreased over the previous 10 years, reducing from £10m at 31 March 2008 to

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**£3.8m at 31 March 2018. An analysis of trade debtors, inclusive of VAT, for the last two years is shown below:**

	<b>31 March 2018</b>	<b>31 March 2017</b>
Less than three months	£2,859,979	£3,305,930
Three to one year	£154,081	£111,596
More than one year	£736,633	£789,382
<b>Total</b>	<b>£3,750,693</b>	<b>£4,206,908</b>

**Creditors**

**3.8 The Department for Communities has set councils a target of paying invoices within 30 days. During the year the council paid 58,319 invoices totalling £142,055,044.**

**3.9 The average time taken to pay creditor invoices was 21 days for the year ended 31 March 2018. The Council paid 39,355 invoices within 10 days, 51,403 invoices within 30 days, and 6,916 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 (AGS)**

**The Statement of Accounts include Annual Governance Statement (AGS) for the year 2017/18, 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 of the Council in relation to governance**
- the purpose of the governance framework**
- the governance framework in place**
- review of effectiveness of the governance framework**
- significant governance issues to be disclosed.**

**3.11 The AGS is approved by the Chair of the Strategic Policy and Resources, the Chief Executive and the Director of Finance and Resources. It is subject to review by the LGA (NIAO) as part of their annual audit.**

**3.12 Financial & Resource Implications**

**None**

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

**None.”**

During discussion, the Financial Accounting Manager advised that the main change to the document was the new format which included a Narrative Report on how the Council had used its resources to achieve its desired outcomes in line with its objectives and strategies.

After discussion, the Panel recommended that the Strategic Policy and Resources Committee approve the Council's Financial Statements and associated Annual Governance Statement for 2017/2018, a copy of which was available on the Council's website, and commended those staff of the Council and the Northern Ireland Audit Office who had been involved in the process.

**Northern Ireland Audit Office (NIAO) - Draft report to those charged with Governance**

The Panel was advised that the Local Government Auditor had issued, in draft format, her Report to those Charged with Governance for 2017/2018.

The Director of the Northern Ireland Audit Office provided an overview of the draft report, which summarised the system/control issues arising from the Northern Ireland Audit Office's audit of the Council's Financial Statements for 2017/2018. She indicated that the audit had been largely completed and that it was anticipated that the Local Government Auditor would certify the Council's statements with an "unqualified opinion".

She informed the Panel that the Local Government Auditor had identified three 'Priority 2' recommendations which needed to be reviewed and responded to by management. She outlined the details of the three areas, which related to:

- Escrow Bank Account with Heritage Lottery Fund (HLF) – To disclose this account within the statement of accounts and also to discuss the future of the fund;
- Accounting Policy for Community Assets – The Council to reconsider its approach to recognising community assets and change its accounting policy in line with the historic cost option; and
- Presentational Improvements – A number of improvements had been suggested to enhance the readers' understanding of the Council's financial position.

After discussion, the Panel noted the contents of the draft report to those charged with governance for 2017/2018, a copy of which was available on the Council's website, and that a detailed response to the document would be submitted to a future meeting.



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**Audit, Governance and Risk Services Progress Report (August 2018)**

The Panel considered a report which provided an overview of the specific internal audits which had been carried out for the period between June and August, 2018, by Audit, Governance and Risk Services.

The Head of Audit, Governance and Risk Services highlighted that completed audits of Fire Safety where the audit opinion for each had been determined as 'Major Improvement Needed' and Police and Community Safety Partnerships where the audit opinion for each had been determined as 'Some Improvement Needed'.

In relation to Fire Safety, he highlighted that there were a number of recommendations for improvement which included enhanced reporting on fire safety assessments to relevant Health and Safety Committees, delivery of fire logbook training and review of the process for validating the implementation of high priority actions arising from fire safety inspections. He advised that the management had agreed the recommendations arising from the review and had put an action plan in place to implement these.

The Head of AGRS also reported that the following important assurance audits were in progress and that many of them would be reported to the Panel at a future meeting:

- Capital Programme;
- Staff Recruitment and Selection;
- Absence Management;
- GLL Partnership Management;
- Markets;
- Income / Accounts Receivable & Insurance (being undertaken by PwC);
- Economic Development; and
- Planning (including Major Applications).

He also advised that a number of other pieces of work had been completed in the quarter which resulted in reports for management in relation to Licensing controls, Belfast Waterfront and Ulster Hall Ltd follow-up review, HR / Payroll new system and processes, Local Full Fibre Network project and a governance mapping exercise on behalf of the Director of City and Organisational Strategy.

After discussion, the Panel noted the Progress Report for the period June – August, 2018 and agreed that if audits resulted in an assurance opinion of "major improvement needed" or "unsatisfactory", then lead officers would be invited to attend future meetings of the Audit and Risk Panel to discuss the issues arising and the action that would be taken to improve the control environment. The Head of Audit, Governance and Risk Services advised that this requirement would also be added to the Terms of Reference.

**Corporate Risk Management Report Quarter End - June 2018**

The Panel considered the following report:

**“1.0 Purpose of Report or Summary of main Issues**

**1.1 The purpose of this report is to apprise the Audit & Risk Panel regarding:**

- a) the Council’s key corporate risks, as identified and assessed by senior management**
- b) the action management has taken in quarter 1 in terms of reviewing these risks and related actions and the key issues pertaining to each of these corporate risks**
- c) business continuity management arrangements**

**2.0 Recommendation**

**2.1 The Audit & Risk Panel is asked to note the report and to note that CMT will review the corporate risks and assessments in light of the updated Risk Management Strategy (currently out for consultation) and corporate plan at a later date.**

**2.2 The Audit & Risk Panel is asked to agree that the proposed additional Panel meeting, originally scheduled for October 2018 is rescheduled to a later date (to be confirmed) to accommodate the appointment of the external member.**

**3.0 Main report**

**3.1 Summary of BCC Risk Management Arrangements**

**3.1.1 Senior management has identified 18 corporate risks. These risks are considered by management to present the greatest threat to the achievement of corporate objectives and / or compliance with key statutory requirements. These risks have been assessed by management in terms of the likelihood of them occurring and the impact if they did, using a 5x5 scoring matrix, with 5 being ‘high’ and 1 being ‘low’. They are assessed at current and target levels. The ‘gap’ between the current and target risk assessments reflects action that management considers it needs to take before it can be satisfied that the risk is managed to the appropriate level.**

**3.1.2 Audit, Governance and Risk Services (AGRS) monitors compliance with this process and audits the management of key corporate risks as part of its audit plan. The Assurance Board / Audit & Risk Panel has an important role in seeking**

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assurances regarding both the process and the management of key risks.

**3.2 Risk Reporting for the quarter-end June 2018**

**3.2.1** The Corporate Risk Register report shows the Council's corporate risks and the management assessment of these risks. It also provides:

- details of the controls, oversight and audit / review arrangements in relation to each risk – the three lines of defence, where these specifically relate to the risk
- the key issues that need to be addressed to manage the various risks
- whether review of the risk / actions took place at the end of quarter 1 ('compliance').

**3.2.2** Key points arising from the quarter 1 exercise are as follows:

- No new risks have been proposed by senior management in the quarter.
- Regarding the corporate risk on safeguarding, the Director of City and Neighbourhood Services has highlighted that meetings of the Safeguarding Panel take place quarterly and that following the lead officer for this area taking up a new role in the council, there is a need to allocate a new resource to this area.
- Externally funded physical projects risk - The handover protocol for ERDF projects has been developed and is to be considered by CMT in August 2018. The Director has highlighted an issue regarding the need to clarify how project outcomes are being monitored and reported, which, while particularly relevant to ERDF projects, this issue also applies to all physical projects.
- Asset management strategy – the agreed action to determine what work and resource is required to develop a corporate approach to asset management and maintenance was not completed by the June 2018 timeframe due to resource issues in the department.
- Procurement and contract management risk – One of the key actions towards better managing this risk, the recruitment of the Head of Commercial and Procurement Services, was approved by Strategic Policy and Resources Committee in August 2018.

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- The likelihood of the City Centre Regeneration risk occurring has reduced as a result of putting in place some key controls such as risk and issues logs at project and programme level and the establishment of a permanent team,
- Physical investment programme – the Director of Property and Projects has highlighted a growing concern re the ability to deliver externally funded projects and the need to match resources to priorities. In addition, he highlighted the need to have a way of prioritising projects within available resources.
- The Director of City and Organisational Strategy has reframed the previous risk on Organisational Transformation around Continuous Improvement to better reflect the risks around aligning the organisation to support delivery of the Belfast Agenda. The key mitigations to manage this risk have been identified and timeframes allocated, including one around procuring, designing and implementing a skills development programme for the OD and Continuous Improvement approach
- Community Plan / Belfast Agenda – the risk action plan has been agreed and there is a new action around creating a pilot of the Public Dashboard to publish collective progress on the Belfast Agenda
- The risk profile presented is significant and presents considerable challenges. The key issues pertaining to each risk have been highlighted in the Corporate Risk Register report table
- AGRS audit work planned for 2018/19 has included considerable focus on management of these risks, as indicated in the table. We have and will be presenting audit opinions / assessment of the management of these risks to the Assurance Board / Panel, in particular focusing on the strength of oversight arrangements (the so called, ‘second’ line of defence’).

### **3.3 Compliance with process**

- 3.3.1** The table below summarises compliance with the risk review process for the quarter-end June 2018. While the quarterly review process is an agreed part of Council governance arrangements some issues of non-compliance have been noted, these are detailed in the following table.

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**3.3.2**

Chief Officer	Assurance regarding compliance with the risk management process
Deputy Chief Executive and Director of Finance and Resources	Full compliance for the corporate risks, with the exception of the corporate risk on corporate frameworks.
Director of City and Neighbourhood Services	Full compliance for the corporate risks and all departmental risks.
Director of Place and Economy	Full compliance. Risks (including ratings) likely to be reviewed in 18/19 in context of new Department.
City Solicitor	Full compliance for the corporate risks. Departmental risks to be reviewed after the departmental plan is developed, taking account of the new services that have transferred over.
Director of Property and Projects	<p>Full compliance for all of the corporate level risks. The Director has also confirmed that risk registers are in place and up to date for all of the high risk capital projects. Departmental risks rationalised, further review expected.</p> <p>Re audit recommendations, the Director has proposed that the issue of energy / utilities is brought back to CMT for further discussion.</p>
Director of City and Organisational Strategy	Full compliance.

**3.4 Updates to the Annual Governance Statement 2018/19**

**3.4.1 The annual governance statement that was presented to the Audit & Risk Panel in June 18 has been updated to take account of queries raised by the NIAO, with the key changes being:**

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- Reference to the specific number of working groups in the council
- Reference to the role of the Commissioner for Resilience
- Reference to the legal agreements in place with the Bel Tel LLP and Belfast Gasworks Management Company Limited
- An update has been added to the significant governance issue on waste management which sets out how the council will continue to monitor the position of the proposed arc21 Residual Waste Treatment Project following the Court of Appeal's judgment in July 2018 in relation to planning permission, and the subsequent decision by the Department for Infrastructure not to appeal this ruling.

**3.5 Audit and Risk Panel – Risk Meeting**

- 3.5.1** Following the training session in October 2017, the Audit and Risk Panel agreed to hold an additional meeting to allow more time to be spent on the review of the key risks and the risk management framework of the council, with this meeting scheduled to take place on 22 October. To take account of the recruitment process for the external member. Members are asked to agree to rescheduling this meeting to later in the year.

**3.6 Risk Management Strategy**

- 3.6.1** The Risk Management Strategy has been reviewed and updated by AGRS to take account of best practice and recommendations arising from the external review of the Council's risk management framework. We are nearing the end of a consultation period with senior management on this updated strategy and aim to take the final version to CMT and the next meeting of the Audit & Risk Panel. As part of the roll out of the new strategy, CMT will review the corporate risks and assessments.

**3.7 Business Continuity Management (BCM)**

- 3.7.1** Business Continuity Management is about being able to respond and continue with the delivery of key services in the event of disruption or in an emergency. To this end, the Council has identified a number of critical services and they are required to have BCM plans and test these each year. AGRS checks to see that plans are in place, tested annually and BCM contacts receive training. AGRS does not however, manage or coordinate the implementation of plans either,

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**when activated in one specific service or across a number of services in the event of an emergency.**

- 3.7.2 All services are asked to plan their business continuity exercise by July 2018, with the actual exercise itself to be completed by the end of March 2019. As at 22 August, 10 of the 15 critical services had confirmed that they had properly planned their business continuity exercise for the 2018-19 year. Any that remain outstanding have been brought to the attention of the relevant director.”**

The Panel noted the contents of the report and agreed that the proposed additional Panel meeting, originally scheduled for October, 2018, be rescheduled to a later date to accommodate the appointment of the external member, where the report would be considered further.

### **Fraud Risk Assessment**

The Panel was provided with an assessment of the risk of fraud to the organisation and a related plan and corporate approach for the management of this risk. It was reported that the assessment and related plan were an important part of the Council's counter fraud strategy and therefore of direct relevance to the role / work of the Audit and Risk Panel.

The Panel was advised that some of the risk areas relevant to the Council included (but were not restricted to), Procurement, Payments, Planning and Developers' Contributions, Contractor fraud, Income Control, Grant administration, Expenses / Overtime, Cyber enabled fraud and the Misappropriation of Assets.

It was highlighted that the Audit, Governance and Risk Service (AGRS) had developed an action plan to implement the different activities arising from the assessment which would be monitored on an ongoing basis and reported to the Audit and Risk Panel as part of the annual AGRS report on fraud and whistleblowing.

During discussion, the Panel raised concerns in relation to cyber security risks posed by Members when using their tablets and phones and the possibility of further training for Councillors in relation to fraud risks via digital devices and cyber security. The AGRS manager agreed to highlight this to the Head of Digital Services as part of implementing the action plan arising from the assessment.

The Panel approved the Corporate Fraud Risk Assessment as outlined in Appendix A (copy available [here](#)) and endorsed the proposed approach to managing the risks identified by the assessment.

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**Northern Ireland Audit Office - National Fraud Initiative - Northern Ireland**

The Panel was advised that the Northern Ireland Audit Office had recently published its report on the key outcomes arising from the four National Fraud Initiative (NFI) exercises which had been undertaken since April, 2016 – March, 2018 across Northern Ireland.

The Director of the Northern Ireland Audit Office explained that, during this period, around £814,000 of rates evasion in Northern Ireland was detected through NFI data matching (though the report did not quantify amounts subsequently recovered in the Belfast area).

Other areas of fraud / error detected by the exercise across NI related to:

- almost £648,000 of pensions fraud, error and overpayments;
- almost £137,000 of housing benefit fraud and overpayments;
- around £130,000 of social housing outcomes, comprising recovered properties and removal of non-eligible applicants from the social housing waiting list; and
- almost £63,000 of duplicate and erroneous payments to suppliers.

Noted.

**Local Government Auditor's Annual Report 2018**

The Director of the Northern Ireland Audit Office advised the Panel that the Local Government Auditor was required to produce an annual report which summarised, from an external audit perspective, the key issues which had arisen in all Councils across Northern Ireland. She advised that the report provided the Local Government Auditor's perspective on the audits of all local councils based on the key messages from audits performed up to 31st March, 2018.

The Chief Local Government Auditor explained that the report had raised a wide variety of issues arising from the audits, which included helpful comparative information with other councils.

During discussion, the Director of Finance and Resources highlighted that the Council's progress against the Improvement Objective's and performance indicators was also outlined in Item 12.

After discussion, the Panel noted the contents of the report of the Local Government Auditor for 2018 (copy available [here](#)).

**Performance Assessment 2017-18 Public Report**

The Panel was reminded that the Council's Improvement objectives for 2017-18 had been published by 30th June and was presented to the Strategic Policy and Resources Committee at its meeting on 22nd June.



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The Panel noted that the format of the report had been updated for publication as outlined in Appendix One (copy available [here](#)).

Chairperson