



Subject:	Audit & Risk Panel Annual Report to Strategic Policy & Resources Committee, including draft Annual Governance Statement
Date:	21 August 2020
Reporting Officer:	Ronan Cregan, Director of Finance and Resources and Deputy Chief Executive
Contact Officer:	Claire O'Prey, Head of Audit, Governance and Risk Services (AGRS)

Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report or Summary of main Issues
1.1	The Audit and Risk Panel is constituted as a working group of the Strategic Policy and Resources Committee. The purpose of the Panel is to provide an independent assurance on the adequacy of the Council's risk management framework and associated control environment. The Panel also oversees the Council's financial reporting process.
1.2	The purpose of this report is to provide a summary to Committee of the key issues that have been considered and discussed by the Panel during the 2019/20 financial year, the assurances received and the areas requiring attention. This report also summarises the process by which the year-end reports are to be considered by the members of the Audit and Risk Panel.

2.0	Recommendations
2.1	<p>The Committee is asked to;</p> <ul style="list-style-type: none"> • Note the summary of the work of the Audit & Risk Panel during 2019/20 as set out at Section 3 below. • Note the process by which the year-end reports are to be considered by members of the Audit & Risk Panel.
3.0	Main report
	<p><u>Key Issues</u></p> <p>Summary of the work of the Audit and Risk Panel in 2019/20</p> <p>3.1 During 2019/20, the Panel met 4 times (including a training session at Belfast Castle). The Audit & Risk Panel did not meet in June 2019, following the elections in May, as the composition of the Panel had to be agreed by Strategic Policy and Resources (SP&R) Committee on 21 June and ratified by Council on 1 July, with nominations to the Panel sought from each of the 8 parties thereafter.</p> <p>3.2 In the absence of an Audit & Risk Panel and in order to ensure that there was proper consideration of the year-end papers, the Audit Assurance Board met on 3 June 2019 to review these reports. In addition, an annual report was submitted to SP&R committee in June 2019 providing a summary of the key issues that had been considered and discussed by the Panel during the 2018/19 financial year, the assurances received and the areas requiring attention.</p> <p>3.3 During 2019/20, the Panel has considered audit plans and issues arising from audit activity, such as the findings, assurance levels and recommendations arising from audit work and the progress being made to implement audit recommendations. It also received regular updates on:</p> <ul style="list-style-type: none"> • the Council's financial position, as set out in its financial statements • reports from the Council's external auditors • risk management • business continuity • fraud, financial irregularity and whistleblowing investigations • governance related matters • financial control • health and safety

- performance management
- staff attendance.

3.4

The key assurances that the Panel has received on are as follows:

- the Council's financial statements and annual governance statement 2018/19, as prepared by the Deputy Chief Executive and Director of Finance and Resources and his team; this provided a management assurance on the Council's financial position
- the audited accounts and the associated external audit annual letters for 2018/19 (providing an opinion on the accounts) and report to those charged with governance (setting out control issues arising from the annual external audit), as prepared and presented by the Northern Ireland Audit Office. This provided an external assurance on the Council's financial position for 2018/19. (The accounts for 2019/20 are in the process of being prepared for the new deadline of 31 August 2020)
- NIAO assurance on the Council's performance management arrangements, specifically in reference to the Improvement Duty placed upon the Council by relevant legislation. The NIAO's audit of this area provided an unqualified opinion
- the Head of Audit, Governance and Risk Service's annual assurance statement on the adequacy and effectiveness of the Council's risk management, control and governance arrangements, based on the findings of audit work completed throughout the year.

3.5

Where areas for improvement have been identified, these have been reported and implementation of agreed recommendations is actively monitored and reported back to the Panel. The Panel has, on occasions, raised issues where either audit reports have identified significant issues or progress against recommendations has not been satisfactory, with Directors asked, where necessary, to attend the Panel and provide further explanation. The key areas considered during 2019/20 have included waste collection, safeguarding, IT asset management, IT project management, budgetary control and financial reporting, organisational culture and the implementation of the new HR / payroll system.

3.6	<p>The Audit and Risk Panel have also received updates during the year on the Council's risk management arrangements, including reports on the management of the Council's key corporate risks.</p> <p><u>June 2020 meeting of the Audit & Risk Panel / year-end reports</u></p>
3.7	<p>In line with the changes to the Councils decision making processes in response to the impact of Covid-19 and related to this, the extension of the deadline for preparation of the financial accounts to 31 August 2020, the usual meeting of the Audit & Risk Panel in June 2020 did not take place. However the usual reports, including the draft Annual Governance Statement and other important year-end papers, were considered by the Audit Assurance Board on 28th July 2020 and circulated to Audit & Risk Panel members for review, comment and agreement during August 2020. Subsequently a request was received to convene a meeting of the Audit & Risk Panel to discuss these year-end papers. This will be going ahead with a virtual meeting of the Audit & Risk Panel that was originally scheduled for 8th September. In line with usual protocol, the minutes of the Audit & Risk Panel meeting would be presented to the following SP&R Committee for approval.</p> <p><u>Financial & Resource Implications</u></p>
3.8	None
3.9	<p><u>Equality or Good Relations Implications/Rural Needs Assessment</u></p> <p>None</p>
4.0	Appendices – Documents Attached
	None