

Audit and Risk Panel

Tuesday, 8th September, 2020

MEETING OF AUDIT AND RISK PANEL

Members present: Alderman Rodgers (in the Chair);
Councillors Carson and O'Hara.

In attendance: Mr. R. Cregan, Strategic Director of Finance and Resources;
Ms. C. O'Prey, Head of Audit, Governance and Risk
Services (AGRS);
Mr. T. Wallace, Head of Finance;
Ms. C. Sheridan, Head of Human Resources;
Mr. M. Whitmore, Audit, Governance and Risk
Services Manager;
Mr. L. Mulholland, Audit, Governance and Risk
Services Manager;
Mrs. E. Eaton, Corporate Health and Safety Manager;
Ms. H. Lyons, Corporate Finance Manager;
Ms. C. Kane, Director, Northern Ireland Audit Office; and
Mrs. L. McLornan, Democratic Services Officer.

Election of Chairperson

The Audit and Risk Panel noted that it was required to elect a Chairperson for the coming year.

Moved by Councillor Carson
Seconded by Councillor O'Hara and

Resolved – that Alderman Rodgers be elected to serve as Chairperson to the Audit and Risk Panel from September, 2020 to June, 2021.

Apologies

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

Minutes

The minutes of the meeting of 10th March were taken as read and signed as correct.

Declarations of Interest

No declarations of interest were recorded.

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Absence Rates - Year Ending March 2020

The Panel considered a report providing information on the absence figures for the financial year 2019/2020. The Head of Human Resources reported that sickness absence, per full-time employee, for that period had been 13.58 days, which was a decrease of 0.13 days compared to absence for the same period last year (13.71). She explained that the corporate target was 12.67 days. The Panel was advised that the absence rate reduced to 13.46 when COVID 19 related absence was discounted, which equated to a decrease of 0.25 days on the previous year.

She explained that there had been a slight decrease in the number of staff with no absence throughout the year, at 37.08% compared to 38.75% last year. The Panel was advised that long term absences had also slightly decreased, with 65.3% of absence classified as long term, compared to 67.44% for the previous year.

The Head of Human Resources explained that five out of the seven departments had met the annual corporate absence target of 12.67 days, which was an improvement on the previous year, when only three out of six departments had met the target.

The Panel was advised that there had been a 20% increase in stress related absence in the Council compared to the previous year. The Head of Human Resources advised that the figures showed that personal stress still accounted for 70% of stress related absence. She outlined that the main reasons for stress related absence in the Council were underlying mental health conditions including depression and anxiety, bereavement, family caring reasons, personal or relationship issues and work issues.

The Members were advised that there had been a significant reduction in days lost due to musculo-skeletal issues, decreasing from 9437.83 days in 2018/19 to 7596.74 days in 2019/20. The Head of Human resources advised that the City and Neighbourhood Services (CNS) Department accounted for approximately 77% of all musculo-skeletal type absence within the council and that the vast majority of musculo-skeletal absence within CNS was attributed to employees in manual roles. She pointed out, however, that only 16% of musculo-skeletal absence was recorded as work related and approximately 49% of all musculo-skeletal absence was attributed to underlying medical conditions.

In respect of disability related absence, 27.46% of absence was recorded as disability related, which was a slight reduction when compared to last year's figure which was 27.93%. She highlighted to the Members that 38.31% was managed as long term, which was a significant reduction when compared to the previous year's figure of 64.6%.

With regards to long term absence management, the Panel was advised that a total of 346 employees were off for more than 20 continuous days. The Members were advised that those 346 employees accounted for 65.3% (18714.46 days) of the total absence for 2019/20. The Panel was provided with an update on Final stage compliance issues which were reported to the Corporate Management Team.

The Members were advised that the Council had been impacted by absence due to COVID 19, mostly during March 2020. A total of 50 employees were recorded as

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absent due to COVID19, accounting for a total of 253.94 days (0.9% of the total absence). The Panel was advised that management had been operating in accordance with government and public health guidance since the start of the pandemic and had provided guidance to both management and staff.

The Head of Human Resources advised that a review of the Attendance Policy and Booklet was ongoing and that annual departmental absence action plans were being developed. She pointed out that Corporate HR continued to provide various programmes for employees to assist with absence management.

In response to a query which had been raised by the Panel previously, regarding a rise in absences in Quarter 3 due to infections such as colds and flu, she reported that there had been numerous media reports which showed an eight fold increase in such infections and a surge in demand for GP appointments during that time.

She advised the Members that, in order for the Council to meet the corporate target of 10 days absence per full-time employee by the end of the current council term, a proposed reduction of 9.7% over the next three years was required, with the new annual targets as follows:

Year	Target (Days)
2020/21	12.26
2021/22	11.07
2022/23	10

The Panel noted the information which was provided.

Corporate Health and Safety Performance Report

The Corporate Health and Safety Manager explained that the Corporate Health and Safety Unit was unable to proceed with the usual health and safety performance review for Quarter four in March/April 2020 due to the need to prioritise their resources to respond to the emerging impacts of the Covid 19 pandemic. She advised that they hoped to recover the performance monitoring aspect of the Unit's activity at the earliest opportunity.

She reported that the number of employee accidents for quarter four of 2019/2020 was 33, which was 19 less than in the previous quarter. She highlighted that the highest number of accidents had been caused by employees being injured while lifting or carrying.

The Panel was informed that the number of RIDDOR reportable accidents had also decreased by 12 from the last quarter, to 8.

The Corporate Health and Safety Manager reported that there had been a decrease in the number of reported Work Related Violence incidents from the last quarter, from 30 to 27, and the majority of which were of verbal abuse.

She advised that there were 9 non-employee accidents during the quarter, 6 of which were due to slips, trips or falls.

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The Panel was provided with details of three complaints which were made to the Health and Safety Executive (HSE) by staff during the pandemic in relation to RCV cab screens and Duncrue waste collection and recycling service. The Corporate Health and Safety Manager also explained that the Council's Household Recycling Centre's were inspected after reopening as part of a HSENI planned inspection programme whereby the Inspector had advised that he was pleased with how the sites were operating and that no significant issues were identified.

With regards to Covid-19, the Corporate Health and Safety Manager explained that the Unit had been supporting the Council's Silver Group, Operational Recovery Group and individual service managers throughout the pandemic to comply with all government guidance and to ensure the health and safety of the Council's workers and users. She highlighted that the new corporate roadmap and associated governance process for service recovery included the requirement for the Corporate Health & Safety Unit to quality assure and approve, along with the Trade Unions, Service Covid-19 risk assessments to ensure the effective consideration of health and safety implications.

Noted.

Fraud and Whistleblowing - Annual Report and Policy Update

The Panel considered the Annual Report on the Fraud and Whistleblowing Policy and related arrangements, including the application of the policies during 2019/20.

The Head of AGRS provided the Panel with a high level summary of investigations into alleged fraud and financial impropriety undertaken during 2019/20, including an update on a number of investigations, areas that the investigations related and, completion and outcome of these investigations. In addition, she advised that there had been 4 cases referred to the PSNI during the year.

She also provided the Panel with a high level analysis of whistleblowing concerns received throughout the year including number of concerns received, areas that the concerns related to and, completion and outcome of these investigations.

She explained that a key development to the Council's counter fraud arrangements during 2019/20 had been to assist departments in undertaking a Fraud Risk Assessment. Whilst management was responsible for managing the activities that were at significant risk of fraud and were expected to identify, assess and manage those risks, AGRS worked with management as part of the process. The Members were advised that all departments had completed a fraud risk control template setting out risk areas and current control arrangements to mitigate potential risks. She reported that AGRS had and would incorporate those into fraud risk workshops for those areas across the council that presented the highest fraud risk

AGRS had reviewed key changes to the council's financial governance arrangements during the pandemic with a particular emphasis on potential fraud risks arising from those changes. Furthermore she added there had been a reported increase in fraud risks in recent months, including attempted frauds linked to bank mandate and cheque alterations. Consequently, she explained AGRS would be carrying out a robust

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review of the council's corporate fraud risk assessment and departmental fraud risk returns, to identify any emerging or new risks and would develop a detailed action plan as part of the review.

The Head of Audit, Governance and Risk Services pointed out that a key element of the Council's counter-fraud arrangements was its participation in the National Fraud Initiative which was essentially a data matching exercise that involved comparing sets of data against other records held by the same or another body, allowing potentially fraudulent or erroneous payments to be identified, reviewed and, where necessary, investigated. She advised that AGRS, in consultation with Financial Services, had reviewed the majority of matches for the 2019/20 exercise. The Members were advised that all reports had now been investigated and no issues of fraud had been identified. She outlined that there were some outstanding Declarations of Interest forms and that they were continuing to liaise with departments to ensure those were resolved. She explained that they would work with Legal and Civic Services to ensure that Departments and officers were reminded of the circumstances requiring the completion of declarations of interest. She explained that two duplicate payments had been identified and that Financial Services had recouped both payments and had put corrective measures in place to prevent recurrence.

She outlined that a number of minor changes had been made to the Council's Fraud and Whistleblowing policies and associated arrangements. In addition, she explained that the NIAO had recently published a Good Practice Guide on Raising Concerns, which AGRS would review in detail during 2020/2021 and would bring an update report to the next meeting of the Panel.

The Panel noted the updates on fraud, whistleblowing and related cases handled in 2019/20; the ongoing work that was taking place with departments in relation to the Corporate Fraud Risk Assessment; the outcomes of the most recent National Fraud Initiative exercise; and approved the updated fraud and whistleblowing policies.

NIAO Report on the National Fraud Initiative (NI) Update

Ms. C. Kane, Director at the Northern Ireland Audit Office (NIAO) presented the Audit Office's report on the National Fraud Initiative (NFI) to the Panel.

She explained that the exercise was run every two years, to identify potentially fraudulent and erroneous transactions, using sophisticated computer-based data matching techniques. The Panel was advised that over 80 public bodies had taken part in the sixth run of the exercise in Northern Ireland (NI), including government departments, agencies, non-departmental public bodies, councils and health sector bodies. She explained that NI data was also matched with data held by public sector organisations in England, Scotland and Wales, providing a cross-jurisdictional approach to tackling fraud.

She highlighted that, for the reporting period April 2018 to March 2020, around £935,000 of rates evasion across Northern Ireland had been detected through NFI data matching. She explained that other areas of fraud and error detected by the exercise across NI related to:

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- pensions fraud, error and overpayments;
- housing benefit fraud and overpayments;
- social housing outcomes, comprising recovered properties and removal of non-eligible applicants from the social housing waiting list; and
- duplicate and erroneous payments to suppliers

She explained that the report was positive for Belfast City Council, in that this had proved to be the lowest year so far for the Council which meant that the NFI was working in that it was now preventative as opposed to a detective measure.

In response to a Member's question, the Director of NIAO confirmed that she would provide a breakdown of the Belfast City Council data to a future meeting.

The Panel noted the information which had been provided.

Corporate Risk Management

The Head of AGRS presented the Audit and Risk Panel with an analysis of how the risk profile of the Council had changed as a result of the impact of Covid-19. She also outlined the proposed actions to ensure that those risks were managed effectively.

She provided an update on compliance with the Risk Strategy, based on the annual assurance statements which had been completed by the Strategic and Operational Directors, Heads of Service and Business Support Managers. She also provided the Panel with an update on business continuity management arrangements.

She reported that, in June 2020, AGRS had met with corporate risk owners to discuss how the corporate risks had been impacted and to identify any emerging risks. The analysis had indicated that:

- a) all risks continued to be corporate risks;
- b) the impact and likelihood of some of the corporate risks had changed and needed to be reassessed;
- c) there was merit in having a standalone corporate risk on Corporate Health and Safety, given the criticality of the management of that risk in the context of the pandemic;
- d) the financial position of Council had been significantly impacted by Covid-19, with resources having been re-directed to support the delivery of critical services and supporting plans for response, rebuild and recovery. This in turn had impacted upon the delivery of previously agreed plans, programmes and projects, which underpinned the delivery of the corporate plan and the management of the corporate risks.
There were therefore challenges in reviewing, revising and agreeing Council priorities and related programmes and projects in the context of the financial position.
- e) three emerging risks had been identified in relation to:

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- planning for potential future lockdowns;
 - organisational recovery arrangements; and
 - city and community recovery arrangements
- f) opportunities were seen in terms of an enhanced focus on efficiencies, increased innovation over service delivery and enhanced resilience to future incidents with increased capability for working from home.

In response to a Member's query, the Head of AGRS advised that she would submit further information relating to the Waste Management risk, in terms of recycling targets and the impact of Covid19, to a future meeting.

The Audit and Risk Panel noted how Covid-19 had impacted upon the risk profile of the Council and agreed the following:

1. that AGRS would work with management to support them in re-assessing the impact and likelihood of the corporate risks and updating their risk mitigation plans in light of Covid-19.
2. that the three emerging risks be included, whereby AGRS would work with officers to ensure that mitigation plans were developed;
3. that Health and Safety would become a standalone corporate risk;
4. the process for quarterly assurance statements during 2020/21, including the new template;
5. the creation of an overall Plan, which supported a response to potential future lockdowns / second wave of the pandemic, and for management to schedule in time to review and update their service BCM plans by the end of October 2020.

Head of Audit, Governance and Risk Services
Annual Assurance Statement

The Head of AGRS advised that, each year she had to present an annual assurance statement. The statement was a professional opinion on the adequacy and effectiveness of the Council's internal control environment and formed part of the corporate governance arrangements for the Council. She reported that the annual assurance statement for 2019/2020 had been drafted, taking into account:

- the key elements of the Council's internal control arrangements, including risk management and governance arrangements;
- the results of audit work undertaken in 2019/20; and
- the work undertaken to review changes to financial governance arrangements as a result of the impact of Covid-19 and other advisory work undertaken by AGRS

She explained that the impact of Covid-19 had meant that AGRS had only completed 76% of its 2019/2020 plan against a target of 80%. A number of planned audits were unable to proceed due to officer resources and priorities being focused on the Covid-19 response, recovery and rebuilding. She advised, however, that they had instead diverted their resources to facilitating Covid-19 readiness workshops for the

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critical services and tracking completion of actions arising, a review of business continuity plans and participating in silver command meetings and ensuring that there were proper processes in place to control changes to the Council's financial governance arrangements in the "new normal" working environment and providing advice on various risk and control matters.

The Panel was advised that the impact of Covid-19 on the Council had led to many significant changes which had had a knock on effect to the risk, control and governance arrangements of the Council. She explained that AGRS had been working with management to support them in managing the impact of those changes through:

- the development of a corporate process to ensure that all amendments to the usual financial controls and processes were made in a controlled manner, and were properly approved and communicated;
- facilitating a fundamental review of the corporate risks to reflect the new environment and priorities of the Council;
- participation in the organisational recovery group and silver command;
- providing advice on a variety of areas including temporary expenditure controls, service recovery, declarations of interest, working from home, use of Microsoft Teams, and the issue of PPE.

The Audit and Risk Panel reviewed and noted the Head of AGRS' annual assurance statement for 2019/20, including the progress update for the period March – June 2020.

Update on the CIPFA Statement on the Role of the Head of Internal Audit (2019 edition) and Self-Assessment of AGRS against the Public Sector Internal Audit Standards

The Panel considered the undernoted report:

1.1 The purpose of this report is to advise the Audit & Risk Panel of the self-assessment of:

- **AGRS against the Public Sector Internal Audit Standards (PSIAS)**
- **The Head of AGRS against the CIPFA Statement on the Role of the Head of Internal Audit.**

1.2 We are required to declare compliance with these within the Annual Governance Statement.

2.0 Recommendations

2.1 That the Audit & Risk Panel note the self-assessment against the PSIAS and the CIPFA Statement on the Role of the Head of Internal Audit.

3.0 Main report

PSIAS

- 3.1** The PSIAS require regular internal and external assessments to confirm that the internal audit service (AGRS) is operating to professional standards for internal auditing, thereby giving an assurance to key stakeholders that they can rely on the professionalism of the Service.

Internal Assessments

- 3.2** The PSIAS require ‘periodic self-assessments.... to evaluate conformance with the Definition of Internal Auditing, the Code of Ethics and the Standards.’ Our detailed self-assessment against the PSIAS is set out at appendix A, available on mod.gov. In summary, this self-assessment found that we are compliant with the PSIAS.

External Assessments

- 3.2** The PSIAS also stipulate that ‘external assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation.’ Our last external assessment was undertaken by On Board Training and Consultancy in 2017/18 which concluded that:

- AGRS conforms to the requirements of the Public Sector Internal Audit Standards
- There are a few areas which require action but they do not significantly impact on On Board’s overall opinion
- There was strong evidence from their review of the value and contribution that AGRS makes to the Council’s governance, risk management and control environment

- 3.4** Our next external review is due in 2022/23.

- 3.5** The CIPFA Statement, updated in April 2019, outlines the principles the Head of Internal Audit should meet to be able to operate effectively and perform their duties, in addition to the personal skills and professional standards expected of the Head of Internal Audit. The Head of AGRS has undertaken this self-assessment, which indicates compliance with the statement and the detailed self-assessment may be found at appendix B, available on mod.gov.

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4.0 Financial & Resource Implications

None

5.0 Equality or Good Relations Implications/Rural Needs Assessment

None known at this time.”

The Panel noted the contents of the report.

Belfast City Council - Review of Code of Governance

The Panel considered the undernoted report:

“1.0 Purpose of Report or Summary of main Issues

1.1 In line with best practice, the Council has developed a Code of Governance based on the 7 core principles set out in the new CIPFA Solace Framework.

1.2 The Code was initially reviewed and approved by the Audit Panel on 13th May 2008 and has been reviewed and updated annually thereafter (see section A of the appendix for the summary version of the Code and section B for the detailed Code). The results of the annual review and update of the Code informs the preparation of the Annual Governance Statement, which forms part of the published annual Financial Report for the Council.

1.3 This paper presents the updated Code to the Audit & Risk Panel for review and approval.

2.0 Recommendations

2.1 The Audit & Risk Panel is asked to review and approve the attached updated Code of Governance for Belfast City Council, which has been prepared in line with the CIPFA framework (2016 edition).

3.0 Main report

Key Issues

This section of the report is laid out as follows:

3.1 - Introduction

3.2 - AGRS review of arrangements

3.3 - Ongoing improvements planned for 20/21

3.1 Introduction

3.1.1 Governance is about how Belfast City Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

3.1.2 Belfast City Council is committed to the core and supporting principles of good governance set out within the CIPFA Solace Framework, namely that good governance means:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**
- Ensuring openness and comprehensive stakeholder engagement**
- Defining outcomes in terms of sustainable economic, social and environmental benefits**
- Determining the interventions necessary to optimise the achievement of the intended outcomes**
- Developing the entity's capacity, including the capability of its leadership and the individuals within it**
- Managing risks and performance through robust internal control and strong public financial management**
- Implementing good practices in transparency, reporting, and audit, to deliver effective accountability**

3.2 AGRS review of arrangements

3.2.1 AGRS has undertaken an annual review of the Council's Code of Governance. The main purpose of this review was to confirm that the Council has arrangements in place to address the 7 principles of good governance as set out in the Code and to ensure that the Code reflects new initiatives and changes. To undertake this review, AGRS contacted various Council officers and inspected supporting documents to determine whether the systems, processes and documents provide evidence of compliance with the 7 principles of good governance set out in the Code.

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3.2.2 The main updates to the Code are Covid-19 related and include the following:

- **New process put in place for decision-making during Covid-19 pandemic - agreed by Special Council on 13th March 2020**
- **Covid-19 corporate risk assessments, implementation of Public Health Agency advice and changes to working practices**
- **Governance over Covid-19 related changes to financial processes**
- **Development of Covid-19 response, rebuild, recover plans.**

3.2.3 Our review confirmed that arrangements were in place to address the principles of the code and also identified areas where ongoing improvements are planned (see below). The AGRS review of the Code of Governance has not sought to validate the quality and application of all of these arrangements (although some elements of the framework have been subject to audit during the year).

3.3 Ongoing improvements planned for 20/21

3.3.1 A number of improvements are quite complex to implement and while work has been undertaken to progress these improvements, they remain ongoing and are likely to remain ongoing during 2020/21 given that the Councils focus is on response to and recovery from Covid-19. It is important that these actions, designed to improve our governance arrangements, are considered as part of the corporate plan impact assessment and prioritisation of programmes / projects:

- a) **Implementation of the recommendations from the external reviews of Procurement, Finance and Human Resources;**
- b) **Development of Social Value Policy; Social Value Procurement Framework; guidance for officers and for suppliers;**
- c) **Development and agreement of the governance and assurance framework for the Belfast Region City Deal;**
- d) **Development of a plan to develop an overarching Asset Management Strategy;**
- e) **A process to monitor and improve compliance with the Council's Scheme of Delegation is currently under development and will include reporting on the exercise of procurement (delegated) authority powers;**

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- f) Review and update of the conflict of Interest and gifts and hospitality polices and processes for Belfast City Council officers;**
- g) Implementation of a corporate policy management process and system;**
- h) Development of a customer focus strategy and programme; and**
- i) A number of ICT improvements are continuing in 20/21 including updating of the ICT strategy and policies, a security strategy review and the implementation of electronic records management.**

3.3.2 Equality or Good Relations Implications

Equality and good relations implications are integral to the Code of Governance.”

The Panel adopted the recommendations.

Belfast City Council - Draft Annual Governance Statement 2020

The Head of AGRS presented the Panel with the Annual Governance Statement for the Council for 2019/20, for consideration and inclusion in the unaudited statement of accounts which would be certified by the Chief Financial Officer by 31st August 2020 and would then be subject to audit by the NIAO.

She explained that the Statement for the year 2019/20 had been prepared in line with the Code of Practice on Local Authority Accounting in the UK 2019/20 accounts and was consistent with the principles of the new CIPFA/SOLACE Framework ‘Delivering Good Governance in Local Government’ (2016 edition).

She advised the Members of the Panel that the Annual Governance Statement had been updated to reflect key changes to the Council’s governance arrangements due to Covid-19, including the interim Committee decision making process, which had been delegated to the Chief Executive in March 2020, the development of Covid-19 recovery plans, Covid-19 corporate risk assessment and change management processes over any amendments to financial processes during the pandemic. The statement also outlined significant governance issues that had arisen as a result of the impact of Covid-19.

The Panel agreed the draft Annual Governance Statement for the Council for 2019/20 and the disclosure of the significant governance issues contained in the statement.

Audit Plan 2020/21 – Update

The Head of AGRS explained that the impact of Covid19 on the Council had led to many significant changes to previously agreed plans and priorities, budgets, service delivery and the risk, control and governance arrangements. As a consequence the assurance needs of the Council had significantly changed. A draft indicative Internal Audit

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and Risk Management Plan for 2020/21 had therefore been developed in light of the impact of Covid-19 in order to ensure that it met the new needs and assisted the Council in meeting relevant statutory obligations in relation to financial management, systems of internal control, management of risk and good governance.

She explained the approach to revising the original plan in terms of re-evaluating the need for each previously agreed audit in light of the changed environment and the rationale for the revised approach. She reported that, in addition to specific assignments, the plan continued to make provision for continued support to the organisation in fraud prevention/detection and investigation, whistleblowing investigation, risk management, business continuity management and corporate governance.

In recognising that they needed to be responsive to any changes in AGRS requirements throughout the year, she suggested that they would discuss and agree AGRS management needs with management and Members each quarter, adjusting the indicative plan as needed.

The Head of AGRS responded to Members' queries on the plan regarding the replacement of the internal audit of Open Spaces and Street Scene with higher priority assurance work and also the nature of the assurance work that would be undertaken this year regarding waste management and climate changes. The Panel agreed the draft indicative Internal Audit and Risk Management Plan for 2020/21.

Performance Improvement – Update

The Panel considered the undernoted report:

“1.0 Purpose of Report

1.1 The purpose of this paper is to:

- present to the Panel the year-end corporate Performance Assessment for 2019-20
- update the Panel on progress to comply with the performance improvement duty as laid in in Part 12 of the Local Government (NI) Act 2014 in the context of the Covid-19 emergency

2.0 Recommendations

2.1 The Panel is asked to:

- Review and approve the year end Corporate Performance Assessment 2019-20.
- Note the update on arrangements for 2020-2021 in the context of the Covid-19 emergency including correspondence from DfC advising that councils will not be expected to publish a performance plan by 30 June 2020 for the current financial year.

3.0 Purpose of Report or Summary of Main issues

3.1 Background

Part 12 of the 2014 Local Government (NI) Act and the associated guidance requires that we:

- produce a *forward looking* Annual Improvement Plan by 30th June (i.e. Corporate Plan) to take effect from April each financial year which reflects the Council's contribution to the Community Plan (Belfast Agenda).
- produce a *retrospective* Performance Improvement Assessment by September 30th detailing progress against the Improvement Objectives, examples of other forms of continuous improvement and any performance indicators included within the previous year's Corporate Plan.

Year End Corporate Performance Assessment

3.2 As required, the Performance Unit within the Finance and Resources Directorate produced a Year End Operational Update for 2019-20 which was previously circulated to Members. The majority of the activities within the plan have been delivered but given the current situation in relation to Covid-19 some of the activities due to be undertaken in Quarter 4 have understandably been adversely impacted. In some resources had to be diverted to other essential areas, and in others the practical implications of the emergency meant that activities such as events, stakeholder engagements had to be cancelled or postponed. These activities will be reviewed and considered as part of plans for 2020 -21.

3.3 The content of the Year End Operational Update has now been used to compile the year end Corporate Performance Assessment report for 2019-20, a draft of which has been included at Appendix 1 (available on mod.gov) for approval, this document is still required to be published by 30 September 2020. Following September SP&R Committee the report will be published online pending ratification by full Council.

Annual Improvement Plan 2020 -2021

3.4 As one of the key planning documents of the organisation, the Annual Improvement Plan is produced by the City and Organisational Strategy Department. The Plan for 2020-2021

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was well advanced and was due to be agreed by SP&R and published by 30th June in accordance with these obligations. However, the planned commitments included in the 2020-21 plan are now being reviewed and revised in the context of Covid- 19.

- 3.5** Written confirmation has been received from the Department for Communities (Appendices 2 & 3 – available on mod.gov) which acknowledges the current pressures faced by councils and advises councils will not be expected to publish a performance plan by 30 June 2020 for the current financial year. The correspondence also outlines initial thinking on the arrangements that should be put in place for councils regarding performance improvement for the next few years. In the meantime the council will continue to monitor and review our approach to improvement, including the ability of services to deliver or adapt planned improvements. The Council's immediate improvement priority is recovery: helping the city economy rebuild and supporting our residents during this challenging time. As further guidance is issued from the department the Panel will be updated.

NIAO audit and assessment 2020

- 3.6** The NIAO audit and assessment of BCC's Improvement activity normally takes place between July and October each year. As highlighted above this timeline is likely to shift and or be revised given the recent correspondence received. The Panel will be updated once further advice is received. Our progress against last year's audit findings is included at Appendix 4, available on mod.gov.

3.7 **Financial and Resource Implications**

Audit fees will be calculated on the basis of the time spent by the NIAO on Belfast's audit and on the levels of skill and responsibility involved. For BCC it is estimated that this will cost £25,000 this year, however this will be dependent on the revised guidance issued. As far as possible we will prepare all materials in advance to keep costs as low as possible.

3.8 **Equality and Good Relations Implications**

None associated with this report.”

The Deputy Chief Executive and Director of Finance and Resources responded to a query regarding how Members, in future, could have input to the development of new performance indicators. The Panel adopted the recommendations.

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Independent Non-Executive Member of the Audit & Risk Panel

The Panel was advised that the Independent Non-Executive Member of the Audit and Risk Panel had resigned and that a new Non-Executive Member would therefore need to be recruited.

The Deputy Chief Executive and Director of Finance and Resources advised that he required the Panel to nominate an elected member, from a political party not represented by the Chairperson, to sit on the recruitment panel alongside the Chairperson, himself and the Head of Human Resources.

The Panel agreed that Councillor Carson, who had previously undertaken the necessary training, would join the recruitment panel.

**Annual report from Audit and Risk Panel to
Strategic Policy and Resources Committee,
including Annual Governance Statement**

The Head of AGRS provided the Panel with an update on the summary which had been provided to the Strategic Policy and Resources Committee on 21st August of the key issues which had been considered and discussed by the Panel during the 2019/2020 financial year, the assurances which had been received and the areas which required attention. She also summarised the process by which the year-end reports were to be considered by the Members of the Audit and Risk Panel.

The Panel noted the information which had been provided.

Chairperson