

Audit and Risk Panel

Tuesday, 14th September, 2021

REMOTE MEETING OF AUDIT AND RISK PANEL

Members present: Alderman Rodgers;
Councillors, Hanvey,
Hutchinson, O'Hara; and Ms. G. Fahy.

In attendance: Mr. R. Cregan, Strategic Director of Finance and Resources;
Mr. J. Walsh, City Solicitor;
Ms. C. O'Prey, Head of Audit, Governance and Risk
Services (AGRS);
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;
Mr. T. Wallace, Head of Finance;
Ms. H. Lyons, Corporate Finance Manager;
Mrs. E. Eaton, Corporate Health and Safety Manager;
Ms. C. Kane, Director, Northern Ireland Audit Office;
Ms S. Williams, Governance and Compliance Manager
Ms. C. Donnelly, Democratic Services Officer; and
Mrs. L. McLornan, Democratic Services Officer.

Apologies

An apology for inability to attend was reported for Councillor Carson.

Minutes

The minutes of the meeting of 8th June were taken as read and signed as correct.

Declarations of Interest

No declarations of interest were reported.

Absence Rates - Quarter 1 2021/22

The Panel considered a report providing information on the absence figures for quarter one of the financial year 2021/22. The Head of Human Resources reported that sickness absence for that period had been 3.32 days, which was an increase of 1.31 days compared to absence for the same period last year (2.01). She explained that there had

**Audit and Risk Panel,
Tuesday, 14th September, 2021**

been a decrease in the number of staff with no recorded absences and a significant increase in absence classified as long term (20+days) this period in comparison with the same period last year.

The Panel was advised that, when COVID-19 related absences had been deducted from the quarter one figure of 3.32 days, the figure further reduced to 2.93 days against the agreed corporate target for a reduction of 9.7% or 2.77 days per full time employee.

She explained that depression, stress and anxiety equated to 36 % of all days lost due to sickness absence, however, 64% of these absences related to personal stress and that, musculo-skeletal related absence accounted for 19% of all days lost due to sickness absence.

The Head of Human Resources explained that, in quarter one of the 2021/22 financial year, 439 employees were off due to sickness absence, which equated to 6684.35 days and that discretion had been applied to 29 of these employees. The Members were advised that the range of reasons for discretion were as follows:

- Underlying medical condition / Disability (137.72 days or 24.60%);
- Bereavement (116.54 days or 20.81%);
- Unresolved ER issues (70.59 days or 12.61%);
- Personal Stressors;
- Industrial Injury;
- Surgery and recovery; and
- Broken bone(s).

The Panel was advised that there were fortnightly compliance meetings with each department to discuss and address issues such as, delayed scheduling or failure to organise absence review meetings, delayed referral to Occupational Health or Employee Counselling and failure to update actions taken on the corporate absence management system.

The Members were advised that 42.09% of absence had been recorded as disability related, 70.26% of which was managed as long term and the use of discretion had been considered in such cases. She pointed out, however, that long COVID was a new type of absence and was being recorded as potentially disability related, and accounted for 8% of disability related absences in quarter one. In respect of COVID related absence, she advised that 35 employees had been recorded as absent due to COVID-19 and accounted for 11.77% of the total absence figure for quarter one.

With regards to the review of the Council's attendance policy, she explained that the review, which had commenced in 2018, had recommenced following a pause due to the pandemic. She added that Trade Unions had objected to any review of attendance policy during the public health crisis, however, the Corporate Management Team had agreed that the consultation should continue.

**Audit and Risk Panel,
Tuesday, 14th September, 2021**

She reported that a number of Stage 4 and Final Absence Hearings had taken place during quarter one, and summarised that:

- 11 employees met the trigger for a Stage4/FAH in quarter one;
- One employee resigned prior to a Stage4/FAH being scheduled;
- Discretion was used not progress five of the cases to Stage4/FAH due to:
 - significant personal stressors (1);
 - complex long term COVID cases (2); and
 - the requirement for additional medical information (2);
- Five employees attended a Stage 4 / FAH;
- Three employees were dismissed; and
- Two employees were re-issued with stage three warnings.

She further advised that, in addition to the above eleven cases, there had been a further two final absence hearings conducted in relation to employees who had met the trigger prior to April 2021.

The Head of Human Resources stated that Corporate HR would continue to monitor departmental compliance with the attendance policy and that non-compliance issues, in relation to the final stages of the attendance policy, would be raised with departmental senior management when necessary.

She further added that she had undertaken a benchmarking exercise with other Councils in Northern Ireland, and she reported that, of the other Councils who had responded, they had all seen a similar trends in absence rates during quarter one.

The Members of the Panel raised some queries regarding the root cause for the increased level of absence and the Head of Human Resources indicated that she would undertake a deeper analysis of the statistics and bring this to a future meeting of the Panel. The Members of the Panel agreed to note the content of the report.

**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 quarter one of the 2021/22 financial year. She reviewed the progress which had been achieved in relation to the key performance indicators by each department.

She pointed out to the Panel that the Council had fully implemented 12% of its health and safety actions and 28% of its fire safety actions which had been due at the end of quarter one, however, she added that it had been expected as this was the normal

**Audit and Risk Panel,
Tuesday, 14th September, 2021**

position in the first quarter of a financial year due to few new actions and a number of more challenging actions which would carry over from the previous year.

She reported that employee accidents were 22, an increase of one from the previous quarter. She pointed out that the accidents were mostly attributed to injuries from manual handling and slips trips or falls. She further reported that there had been eight non-employee accidents, a decrease of one from the previous quarter, six of which were injuries as a result of a slip, trip or fall and that whilst RIDDOR accidents had increased by since the previous quarter, work related violence incidents had decreased by three. In relation to the work-related violence and the two incidents involving threatening behaviour, the Panel queried whether the PSNI had been involved. The Corporate H&S Manager indicated that she would report back to the Panel on this matter.

With regards to COVID-19, she reported that the Corporate Health and Safety Unit would continue to support the Council's Recovery Co-ordination Group and individual service managers to comply with evolving government guidance and to ensure the health and safety of Council staff and members of the public.

The Panel agreed to note the content of the report.

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

The Members of the Panel considered the undernoted report:

“1.0 Purpose of Report or Summary of main Issues

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 2021.

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.

The Statement of Accounts for the year ended 31 March 2021, as attached, have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 based on International Financial Reporting Standards and the Department for the Communities Accounts Direction, Circular LG 08/21 dated 11 March 2021 and 24 June 2021.

I can confirm that the Statement of Accounts for the year ended 31 March 2021 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

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 2021.

3.0 Main report

Key Issues

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 2020-21, of the financial position of Belfast City Council as at 31 March 2021 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 2021 is consistent with the financial statements.

Reserves

General Fund

The credit balance on the General Fund has increased to £54,924,106 (of which £40,929,092 relates to specified reserves). The movement on the reserves balance is summarised in Table 1 below:

Table 1: Summary of Reserves Position

**Audit and Risk Panel,
Tuesday, 14th September, 2021**

Opening Balance	£28.7m
In year movement in reserves	£26.2m
Closing Balance	£54.9m
Specified Reserves at year end	£40.9m
Balance Available	£14 m

Capital Fund £19,296,139

The Capital Fund is made up of the Belfast Investment Fund (£1,908,136). 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 (£1,056,624) to fund smaller local regeneration projects, the City Centre Investment Fund (£13,408,897) to support the Belfast City Centre Regeneration Investment Plans, the Social Outcomes Fund (£2,922,482) 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.

Neighbourhood Regeneration Fund £8,000,000

This fund was created from the Belfast Investment Fund, to support neighbourhood regeneration and tourism projects in local neighbourhoods.

Leisure Mobilisation Fund £630,245

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

Capital Receipts Reserve £7,962,458 and Deferred Capital Receipts £342,300

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 £1,091,532

This relates to the Election Reserve (£379,435) which has been set up to smooth the cost of running council elections, the BWUH Subvention Fund (£436,402) to support national and international organisations in bringing their conferences to Belfast and the BWUH Sinking Fund (£275,695) to support planned maintenance and future capital works at the new exhibition centre.

**Audit and Risk Panel,
Tuesday, 14th September, 2021**

Debt

The overall level of trade debtors had been decreasing over the last ten years. Whilst, the COVID 19 pandemic had an impact on overall debt levels which now stand at £5.2m at 31 March 2021 compared to £4m at 31 March 2020, the increase is mainly due to an increase in public authority debt at year end. An analysis of trade debtors, inclusive of VAT, for the last two years is shown below:

	31 March 2021	31 March 2020
Less than three months	£3,963,319	£3,239,834
Three to one year	£481,307	£614,739
More than one year	£772,373	£218,298
Total	£5,216,999	£4,072,871

Creditors

The Department for Communities has set councils a target of paying invoices within 30 days. During the year the council paid 51,593 invoices totalling £154,605,481.

The average time taken to pay creditor invoices was 17 days for the year ended 31 March 2021. The Council paid 39,959 invoices within 10 days, 48,218 invoices within 30 days, and 3,375 invoices outside of 30 days. The council endeavours to process invoices as quickly as possible and has an improvement plan to support this process.

Annual Governance Statement (AGS)

The Statement of Accounts include the Annual Governance Statement (AGS) for the year 2020/21, 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
- update on the significant governance issues from prior year

**Audit and Risk Panel,
Tuesday, 14th September, 2021**

- **significant governance issues to be disclosed for current year**

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.

Financial & Resource Implications

None

Equality or Good Relations Implications/Rural Needs Assessment

None

The Panel commended the Finance team and the NIAO on the production of the financial accounts and the results of the audit and agreed 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 31st March 2021.

**Northern Ireland Audit Office (NIAO) –
Draft report to those charged with governance**

The Members of the Panel reviewed the contents of the NIAO Draft Report to those charged with Governance, which summarised the system and control issues which had arisen during its 2020/21 audit which included recommendations for management action.

Ms. Kane, Director, Northern Ireland Audit Office, pointed out that management had not had the opportunity to provide comments and/or actions to address the issues raised in the Local Government Auditor's report for 2020/21, and that they would be presented to the Panel at its meeting in December.

She reported that the audit was ongoing and was due to be completed after the NIAO received the final signed Statement of Accounts and it was anticipated that the Local Government Auditor would certify the 2020/21 statements with an unqualified opinion. She stated that it was an incredible achievement to both prepare the accounts and complete the audit by the end of September 2021, considering the public health crisis.

She highlighted the comments in the report regarding her correspondence with the Chief Executive in respect of the Summer Community Diversionary Festival Programme 2021, to receive assurances around how the programme was to be administered.

She pointed out to the Members that the audit had identified one priority three recommendation, that being a cut off issue where she had recommended a review of all

**Audit and Risk Panel,
Tuesday, 14th September, 2021**

significant invoices at year end to ensure that they were correctly captured in the statement of accounts. She added that a detailed response to the draft management letter, identifying timescales and responsible officers, would be brought to a future meeting of the Panel.

In response to a question by a Member regarding usable resources, Mr Wallace informed the Panel that the usable reserves have increased significantly, due to the additional COVID-19 response monies which had been received and the impact of some services not being operational for a portion of the previous financial year.

After further discussion, it was
Moved by Councillor Hutchinson,
Seconded by Councillor Hanvey,

That the Members of the Panel agree to note the content of the report and accept the uncorrected misstatements as set out in the draft Report to those charged with Governance.

The Members of the Panel agreed to accept the proposal and it was declared carried.

**AGRS - Progress Report June 2021 –
August 2021**

The Head of Audit, Governance and Risk Services gave the Panel an overview of the work that had been completed in the period and summarised the main findings from the following assurance audits finalised in the period:

- Corporate Risk Review – City Centre Regeneration; Follow-up review of the Zoo action plans;
- Corporate Risk Review – Waste Management and; Belfast Waterfront & Ulster Hall (BWUH) Ltd.

Regarding the two audits of the management of the corporate risks on City Regeneration and Development and Waste Management, the Head of AGRS highlighted that more detailed internal audit of these areas are included in the agreed audit plan for 2021/22.

She provided the Panel with an update on the review of the project management arrangements in place for the Planning Portal, pointing out that the progress being made by the Council's project team was directly reliant on the progress being made by the regional project team.

She also summarised the work that AGRS had undertaken to facilitate a workshop, with the key internal stakeholders, on the Intelligent Client Function (ICF) and how this helped inform the recent decision of the Council to take on responsibility for the ICF.

**Audit and Risk Panel,
Tuesday, 14th September, 2021**

The Head of AGRS outlined the following audits that were in progress or the reports that were currently being agreed with management:

- Police and Community Safety Partnerships (PCSPs) (draft report prepared);
- Externally funded projects – compliance with letters of offer (draft report prepared);
- Payroll (draft report prepared);
- Grants (draft report prepared);
- Local Full Fibre Networks (draft report prepared);
- Off Street Car Parking (draft report prepared);
- Procurement and contract management (fieldwork); and
- Fleet management (fieldwork)

She updated the Panel on a number of instances where management had asked for AGRS to delay commencement of audits due to ongoing pressures on their resources as a result of the pandemic, organisational recovery work, business as usual work and approaching deadlines for important programmes and projects, and how AGRS would continue to monitor progress against plan.

She provided the Panel with a high-level summary of whistleblowing/fraud investigations along with the range of work that had been done to increase Fraud Risk Awareness. With regard to the National Fraud Initiative (NFI), the Head of AGRS provided the Panel with a summary of the outcome of the investigation of the matches to date.

Following a number of questions by the Members, the Panel agreed to note the AGRS Progress Report for the period June to August, 2021 and stressed the need for no further delays to delivery of the internal audit plan for the year.

**High Priority Recommendations Monitor –
Update Report**

The AGRS Manager provided the Members of the Panel with an update on the implementation of high priority audit actions and the analysis of the underlying reasons for delays in implementation, following the recent Recommendations Monitoring exercise.

He explained that, at the start of this exercise, there were 68 outstanding (overdue) high priority actions and that 5 of these actions had been closed (either because they were fully implemented or are now no longer applicable). Of the 63 high priority actions that remained outstanding, 38 (or 60%) of these had been partially implemented.

He summarised and provided examples of the five main reasons for delays in implementation as being:

**Audit and Risk Panel,
Tuesday, 14th September, 2021**

- ongoing pressures on resources in services and departments, combined with prioritisation of other work;
- actions where implementation of the outstanding actions was dependent on the implementation of a new IT system;
- delays associated with the pandemic (including furlough, absence etc) and ongoing operational recovery;
- actions where implementation was dependent on the development, approval and implementation of a strategy or business plan
- actions where implementation is dependent on the outcome of ongoing departmental or service reviews

In terms of ongoing risk exposure, he noted that these actions were assigned a high priority rating at the time of the audit report, some of which date back some years. While management have accepted the continuing importance of implementing these actions, the level of risk associated with the actions may not necessarily be the same as it was at the time of the audit, either through the passage of time, or because management have in many cases implemented interim measures to help manage the risk until the actions are fully implemented.

He went on to explain as part of this review, AGRS clarified management's expectation for progress towards implementation. This indicated that management expect more than half of the outstanding high priority actions to be implemented within the current financial year, with a further 30% expected to be implemented in the next financial year.

He indicated that AGRS would undertake the next exercise in January/February, and would report to the Assurance Board/ Audit & Risk Panel in March 2022.

The Members of the Panel agreed to note the update on the progress made by management to implement high priority audit recommendations and the analysis of the underlying reasons for delays in implementation.

**Corporate Risk Management Update for
quarter-end June 2021**

The Head of AGRS presented the Members of the Panel with a summary of the key updates from the risk review for the quarter-end June 2021 and updated the Panel on compliance with the Risk Strategy, based on the assurance statements for quarter-end June 2021, completed by senior management. She provided the Audit and Risk Panel also with an update on business continuity management arrangements.

**Audit and Risk Panel,
Tuesday, 14th September, 2021**

She directed the Panel to the Corporate Risk Management Dashboard for the quarter-end June 2021 which sets out:

- Corporate risk analytics – risks reviewed, risks by category, risks within risk appetite, risk actions implemented / not yet due / overdue, movement in risk assessment;
- Key corporate risk updates for the quarter; and
- For each corporate risk, a summary of progress made to manage the risk and actions implemented in the quarter

The Head of AGRS provided the Panel with an update on the following corporate risk updates:

- Local Development Plan;
- Climate Change;
- Resilience Strategy; and
- Developing a Data Driven Approach to delivering the Belfast Agenda.

She informed the Members that risks had been assessed except the risks on Climate Change, City Risks / Resilience Strategy and Asset Management and that, the risk on Climate Change had not been assessed due to the Climate Commissioner's proposal that this risk was refocused and, subject to agreement, a new risk action plan would need to be developed and the new risk assessed.

She added that the risk on Resilience Strategy had not been assessed as it required review to reflect the next phase. Regarding Asset Management, due to other higher priorities, the Director of Physical Programmes had been unable to take forward the piece of work that was required to prepare a report for CMT, with an outline plan for improving the management of BCC assets. She further added that a working group would be convened to fully scope what was required, in advance of a formal Asset Management Board being established.

Regarding the Quarterly Assurance Statements on compliance with the risk management strategy, the Head of AGRS explained that these statements, from members of CMT, provided assurance to the Panel on the management of corporate risks, Covid-19 service recovery risk assessments and maintenance of internal controls systems, including temporary expenditure control measures.

She went on to explain that some issues had been raised in these statements along with the action that management intended to take to manage these issues.

In terms of the Business Continuity Management (BCM) update, the Head of AGRS reported that, as at 17th August 2021, all of the 15 critical services, except for Bereavement Services, had reviewed and updated their BCM plans.

**Audit and Risk Panel,
Tuesday, 14th September, 2021**

She went on to explain that, in December 2020, the Panel agreed for an additional two services to be added to the list of critical services in the Business Continuity Management Policy, the Customer Hub and Property Maintenance. She explained that AGRS was supporting these services in the development of their business continuity plans and had provided feedback on the draft BCM Plan for the Customer Hub and had offered to provide advice to Property Maintenance.

She also stated that AGRS was supporting Digital Services in running an Incident Response exercise in October, designed around a cyber-attack, which would provide some valuable learning from an emergency response/ business continuity perspective.

The Members of the Panel agreed to note the:

1. Corporate risk management dashboard and update for quarter-end June 2021 including the reframing of the corporate risks regarding the Local Development Plan and Climate Change;
2. Assurances from senior management regarding compliance with the Risk Strategy, based on the assurance statements for quarter-end June 2021; and
3. The current position regarding review and update of the business continuity plans for the critical services to take account of learning from the pandemic.

Assurance Map

The Audit Governance and Risk Services Manager pointed out to the Members that the Council had an Assurance Framework which was underpinned by the three lines model which divided each type of assurance into either management control, corporate oversight or independent assurance. He added that Audit, Governance and Risk Services, as the Council's internal audit function, was responsible for providing independent assurance that the Council's risk management, governance and control processes operate effectively, but that this was only one of multiple sources of assurance.

He advised the Panel that an assurance map was a useful tool that could help the organisation to understand the various assurances that were in place as well as helping the organisation to identify any gaps that might exist, in particular, with regard to key corporate risks and financial systems.

He reported that an assurance map would:

- I. Allow senior management to review and assess the assurances they have in place over the management of corporate risks / operation of key financial processes and to identify any gaps or areas of duplication;
- II. Provide clarity to members and senior management on the range of assurances available and whether they are in line with their assurance requirements / expectations for these corporate risks and key financial processes;

**Audit and Risk Panel,
Tuesday, 14th September, 2021**

- III. Enable the Audit & Risk Panel to fulfil their role “to provide independent assurance to those charged with governance (Members and senior management) on the adequacy of the risk management framework and the internal control environment.”;
- IV. Enable the Audit Assurance Board to deliver their main purpose “to oversee the effective operation of the Council’s assurance framework. In doing so, the Board will play a key role in ensuring that the Council’s governance arrangements are fit for purpose and enable the Council to meet its statutory obligations and achieve its objectives.”;
- V. Support the Board / Panel in their consideration of the annual review of the effectiveness of the council’s system of internal control, which is reported in the Annual Governance Statement, and which the Board / Panel recommend to SPAR for approval; and
- VI. Help AGRS to better understand assurance activities across the council and use this information when developing the audit plan thereby allowing AGRS to demonstrate compliance with the International Professional Practices Framework (IPPF) Standard 2050 which requires that the Head of AGRS should “share information, coordinate activities, and consider relying upon the work of other internal and external assurance and consulting service providers to ensure proper coverage and minimise duplication of efforts”. AGRS are due to be assessed by external review against professional audit standards during 2022/23.

He outlined the proposed approach to developing an assurance map and sought agreement for initiating the development of an assurance map, with an initial focus on corporate risks and key financial processes. He added that AGRS would then map out the various sources of assurance for each of the corporate risks and key financial processes and discuss this with management. As part of this work, AGRS would agree a process for ongoing review and update of the assurance map.

The Panel agreed to note the benefits of developing an assurance map for the Council’s corporate risks and key financial systems and agreed that AGRS to take forward this piece of work.

**Update on Conflict of Interest, Gifts
and Hospitality Policy**

The Governance and Compliance Manager advised the Members that a recent internal audit report had indicated that improvements were required to ensure that there was a satisfactory level of compliance with respect to both policies and the procedures required to be followed when registering a conflict of interest or recording acceptance or provision of gifts and/or hospitality. The audit also highlighted the need for all staff to be

**Audit and Risk Panel,
Tuesday, 14th September, 2021**

made aware of the policies and to ensure that declarations were made in a consistent manner.

She reported that it was proposed that a single, simplified policy would make it easier for staff to make declarations with respect to both potential conflicts of interest and in the acceptance or provision of gifts and hospitality and that the new policy would not fundamentally change any of the obligations upon staff which would remain derived from existing documentation (including the Code of Conduct for Belfast City Council Officers and the Accounting Manual).

She proposed that the new policy would:

- allow for the policies to be combined and simplified;
- allow for outdated terminology to be replaced and updated;
- provide clearer guidance to staff;
- make it easier for staff to access and complete the various forms attached to the policy;
- make it easier for nominated officers to record and maintain a record of all declarations made; and
- improve overall compliance with the policy.

She advised the Members that a new policy had been drafted and was being consulted upon by JNCC, however, the departmental nominated officers had been instructed to remind all staff of their obligations under the existing policy and complete any outstanding compliance exercises and update the registers accordingly.

She added that following consultation with JNCC, the new policy and timeline for implementation would be brought to the Corporate Management Team for approval.

The Panel agreed to note the content of the report.

**Action Plan in Response to Peter Coll QC Report:
Progress Update**

The City Solicitor reminded the Panel that in February, 2021, Mr. Peter Coll QC provided his report to the Council on the events surrounding the arrangements for the cremation of Mr. Robert Storey at Roselawn Crematorium on 30th June, 2020.

He outlined to the Members, the proposed action plan in response to Mr. Coll's recommendations, which included:

- Member/Officer communications and decision making;
- Workforce, structures and culture;
- Crisis Management; and
- Improvements to Roselawn Crematorium.

**Audit and Risk Panel,
Tuesday, 14th September, 2021**

He advised the Panel that the Members would be provided with further updates over the coming months, as proposed actions were undertaken in response to the recommendations contained within Mr. Coll QC's report.

The Panel noted the progress made to date and that, regular updates on this report would be a standing agenda item for both the Audit Assurance Board and the Audit and Risk Panel.

Performance Improvement – 2019-20 Year End Assessment and Arrangements for 2020-21

The Strategic Director of Finance and Resources asked the Members of the Panel to consider the undernoted report:

“1.0 Purpose of Report or Summary of main Issues

The purpose of this paper is to:

- **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 relation the 2019-20 Audit;**
- **Update the Panel on the arrangements for 2020-21 and 2021-22**

2.0 Recommendations

The Panel is asked to:

- **Note the update on the 2019-20 Audit in the context of the Covid-19 emergency;**
- **Note the update on the arrangements for 2020-21 and 2021-22**

3.0 Main report

Year End Corporate Performance Assessment

NIAO audit and assessment 2020

As previously reported the Performance Unit within the Finance and Resources Directorate produced a Year End Operational Update for 2019-20 which was considered by the Panel. Subsequently as required the report was published online by the 30 September 2020.

The NIAO audit and assessment of BCC's Improvement activity was completed in February 2021, in the context of the Covid-19 emergency the timeline was shifted. NIAO had previously advised that the proposed deadline for final reports would be March 2021, however final audit reports have still to

**Audit and Risk Panel,
Tuesday, 14th September, 2021**

be issued by NIAO. The Panel will be updated once the final report has been received.

BCC Improvement Plan 2021 / 22

SP&R Committee in June agreed, via delegated authority to the Chief Executive to approve the Improvement Plan for 2021/22. The Improvement plan does not include everything that council plans to do that year, but instead focuses on a smaller set of key improvement priorities, as informed by resident priorities and evidenced by need. The Plan for 2021/22 includes six improvement objectives, aligned to the Belfast: Our Recovery plan, these are

Our city
We will support our city to recover by helping to restore the social and cultural vibrancy of our city spaces and places in a safe and sustainable way
Our services
We will take steps to ensure our services adapt and improve in the short and longer term
Our communities
We will work with and support our communities, helping them to become stronger, healthier and more resilient
Our economy
We will work in collaboration with others to protect and create jobs and support people into employment
Our environment
We will take action to protect the environment and improve the sustainability of Belfast
Digital innovation
We will improve digital inclusion and enhance our digital infrastructure to support jobs, our economy, sustainability and wellbeing

The 2021/22 Improvement Plan was subsequently published on the council website by 30th June in order to meet the statutory deadline.

A mid-year report on progress made against activities contributing to the Improvement Objectives contained within our 2021-22 Improvement Plan will be brought to the next Panel meeting in December in line with our agreed processes.

Arrangements for Performance Improvement 2020-21 and 2021-22

Guidance in relation to the format and requirements for the 2020/21 audit is still to be formally agreed and issued. There was no requirement for a Performance Improvement Plan for 2020-21, and guidance on what areas the audit will focus on for that reporting period has still to be issued. In the absence

**Audit and Risk Panel,
Tuesday, 14th September, 2021**

of any guidance, the performance unit will compile a short summary update, to include the year end statutory indicators or 2020-21 rather than a full year end update and publish the figures by the 30th September deadline.

The Performance Improvement Working Group, made up of representatives from each of the 11 Councils and chaired by the Chief Executive of M&EA, on behalf of SOLACE NI, continue to have discussions with the Department for Communities and NIAO with regards to performance improvement. The Performance Unit will continue to engage in discussions via the Working Group on moving forward with performance improvement for 2021/22 and the format and requirements for the 2020/21 audits.

Financial & Resource Implications

Audit fees will be calculated on the basis of the time spent by the NIAO on Belfast's audit and as previously advised should be reduced this year to 25%-30% of the previous cost.

Equality or Good Relations Implications/Rural Needs Assessment

None associated with this report.

The Panel agreed to note the update on the 2019-20 Audit in the context of the Covid-19 emergency and the update on the arrangements for 2020-21 and 2021-22.

Non-Executive Member of the Audit and Risk Panel

The Chairperson asked the Non-Executive Member of the Panel, Ms. G. Fahy, to retire from the meeting for the discussion of the report, and she left the meeting while the item was being considered.

The Panel was reminded that, in line with recommended practice, the work of the Audit and Risk Panel had, for a number of years, been supported by the attendance and input of an external Member as a source of expertise on audit and finance related matters, augmenting the skills / experience provided by the Elected Members.

The Chairperson pointed out that the current external Member, Ms Geraldine Fahy, had provided the Elected Members of the Panel with an objective perspective and that her contract commenced in November 2020, initially for one year with possible extension for a further two years and asked the Panel to consider extending the existing agreement to provide the Council with the appropriate continuity of service

The Panel agreed to extend Ms. Fahy's contract for an additional two years.

**Audit and Risk Panel,
Tuesday, 14th September, 2021**

Reporting Protocol for Sharing Best Practice

The Head of Audit, Governance and Risk reminded the Panel that, at a workshop in April 2021, the Panel had recognised that it was important for Members and officers to be aware of, and to comply with best practice guidance issued by the Northern Ireland Audit Office (NIAO), CIPFA and other organisations and asked for assurances on the processes around this.

With regard to the reporting protocol process, she advised the Panel that AGRS had an established process in place to help ensure that management were aware of best practice guidance by, reviewing relevant guidance documents, identifying relevant documents and summarising the key points, reviewing any relevant reports received by external organisations and forwarding this information on to relevant management.

She reported that AGRS had provided management with summaries of the following best practice documents and key reports:

Northern Ireland Audit Office

- Capacity and Capability in the Northern Ireland Civil Service
- Addiction services in Northern Ireland
- Governance Issues in Sport Northern Ireland
- Annual report and accounts for The Executive Office, Land & Property Services
- Annual Report and Trust Statement Accounts, Department for Infrastructure and
- Department of Health Annual Report and Accounts

National Audit Office

- Improving broadband
- Achieving net zero
- Lessons learned from Major Programme

Department of Finance

- Programme and project management guidance

Independent inquiry

- Renewable Heating Incentive – Inquiry Report (Summary and recommendations)
- Best Value Report
- Liverpool City Council

She advised the Members that it was proposed that updates on the reporting protocol process would be provided to the Assurance Board and the Audit and Risk Panel via the AGRS quarterly progress report.

The Members of the Panel agreed to note:

**Audit and Risk Panel,
Tuesday, 14th September, 2021**

- the process to help ensure management would be aware of best practice guidance issued by the NIAO, CIPFA and other organisations; and
- that future updates on the reporting protocol will be included in our standard AGRS progress reports to the Assurance Board and Audit & Risk Panel.

Chairperson