

# Audit and Risk Panel

Tuesday, 8th March, 2022

## MEETING OF AUDIT AND RISK PANEL

### HELD REMOTELY VIA MICROSOFT TEAMS

Members present: Alderman Rodgers (Chairperson);  
Councillors Hutchinson and O'Hara; and Ms. G. Fahy.

In attendance: Mr. R. Cregan, Deputy Chief Executive and Director of  
Finance and Resources;  
Ms. C. O'Prey, Head of Audit, Governance and Risk  
Services;  
Mr. L. Mulholland, Audit, Governance and Risk  
Services Manager;  
Mr. T. Wallace, Head of Finance;  
Ms. S. Williams, Governance and Compliance Manager;  
and  
Mr. H. Downey, Democratic Services Officer.

Also attended: Ms. C. Kane, Director, Northern Ireland Audit Office.

### **Annual Pre-meeting**

The Audit and Risk Panel met privately with the Director of the Northern Ireland Audit Office before the meeting commenced.

### **Apologies**

No apologies were reported.

### **Minutes**

The minutes of the meeting of 7th December were taken as read and signed as correct.

### **Declarations of Interest**

No declarations of interest were reported.

### **Absence Rates - Quarter 3 2021-22**

(Ms. C. Sheridan, Head of Human Resources, attended in connection with this item.)

The Head of Human Resources submitted for the Panel's consideration the following report:

**“1.0 Purpose of Report/Summary of Main Issues**

**1.1 This report:**

- provides sickness absence data for quarter 3, 2021/22, (April, 2021 to December, 2021);
- compares performance to targets for quarter 3, 2021/22, (April, 2021 to December, 2021);
- compares this year’s performance to the same period last year, (April, 2020 to December, 2020);
- provides an analysis of:
  - the use of discretion between October, 2021 and December, 2021;
  - non-compliance issues between October, 2021 and December, 2021;
  - Disability related absence between April, 2021 and December, 2021;
  - COVID19 Related Absence between April, 2021 and December, 2021; and
  - Stage 4 and final absence hearings between October, 2021 and December. 2020; and
- provides an update on:
  - the review of the Attendance Policy; and
  - DMT reporting and departmental improvement plan progress

**2.0 Recommendation**

**2.1 The Audit Panel is requested to note the contents of this report.**

**3.0 Main Report**

**3.1 Absence Rates**

- At the end of quarter three, sickness absence is 11.68 days, an increase of 4.1 days compared to absence for the same period last year (7.58). Please note that the absence rate for the same period in 2019/20 was 9.83 days. It would be more appropriate

**Audit and Risk Panel,  
Tuesday, 8th March, 2022**

to compare this year with 19/20 figures given the exceptional nature of last year (20/21);

- There has been a decrease in the number of staff with no recorded absence this period (46.87%) compared to the same time last year (68.99%);
- There has been an increase in absence classified as long term (20+ days) this year (17163.31 days) compared to the same time last year (11880.30 days). Please note that long term absence in 2019/20 was 13795.15 days. It would be more appropriate to compare this year with 19/20 figures given the exceptional nature of last year (20/21).

**3.2 An analysis of how the Council is performing against the agreed corporate target of a reduction of 9.7% (11.07 days per FTE) has been circulated. The Council's average sickness absence rate at the end of quarter three stands at 11.68 days (this figure further reduces to 9.87 days per FTE when COVID-19 related absences are deducted), against an agreed Corporate target of 8.3 days.**

**3.3 All absence cases are managed in accordance with the Council's attendance procedure.**

The number of days lost per full time equivalent increased in quarter three (4.58 days) when compared to quarter two (3.9 days). The quarterly comparison chart which has been circulated also illustrates an increase of 1.32 days in quarter three absence rate this year (4.58 days) when compared to the same period last year (3.26 days). Please note that the quarterly absence figure in 2019/20 was 3.77 days. It would be more appropriate to compare this quarter with 19/20 figures given the exceptional nature of last year (20/21).

**3.4 Reasons for Absence – April to December, 2021**

Analysis shows that depression/anxiety/stress and musculo-skeletal continue to be the top two reasons for absence.

**Audit and Risk Panel,  
Tuesday, 8th March, 2022**

**In summary:**

- **Depression, Anxiety, Stress related absence accounted for approximately 32% of all days lost due to sickness absence (7537.46 days)**
- **62% (or 4687.71 days) of these days were attributed to personal stress**
- **Musculo-skeletal related absence accounted for approximately 22% of all days lost due to sickness absence (5228.33 days)**
  - **Almost 92% (or 4792.72 days) of these days were attributable to non-work-related reasons.**

**The use of Discretion (October to December, 2021):**

**3.5 A summary of the use of discretion found as follows:**

**From 1st October to 31st December 2021, 675 employees were off due to sickness absence (accounting for 9198.35 days). Discretion was applied to 84 of these employees (12.4%) and their absence accounted for 2399.5 days (approximately 26% of the total absence for quarter three).**

**The range of reasons for discretion were as follows:**

- **Underlying medical condition / Disability (693.65 days or 29%)**
- **Bereavement (359.09 days or 15%)**
- **COVID-19 (329.15 days or 13.7%)**
- **Hospitalisation**
- **Unresolved ER issues**
- **Emergency domestic responsibilities**
- **Industrial Injury**
- **Surgery and recovery**
- **Maternity**
- **Menopause**

**The average length of absence where discretion was used was 28.6 days per occurrence.**

**Compliance Issues (October to December 2021):**

3.6 The following table highlights the number of cases where issues have been discussed with departments during quarter four.

Department	Number of cases
City and Neighbourhood Services	95
City and Organisational Strategy	6
Finance and Resources	1
Legal and Civic Services	28
Physical Programmes	11
Place and Economy	0
Grand Total	141

Examples of issues are as follows:

- Delayed scheduling of stage meetings
- Failure to organise absence review meetings
- Delayed referral to Occupational Health and/or Employee Counselling
- Failure to update actions taken on corporate absence management system (PSE)
- Delays in dealing with other issues such as grievance, discipline, that has impacted on the management of absence
- Lack of a holistic approach to dealing with all issues relating to an employee

Corporate HR is working with the Departments and making recommendations to manage these cases

**Disability Related Absence:**

3.7 Disability related absence was also analysed.

In summary:

- Approximately 42.5% of absence (10021.01days) is recorded as disability related
- 28% of disability related was managed as long term
- The use of discretion and reasonable adjustments is considered in such cases

**Audit and Risk Panel,  
Tuesday, 8th March, 2022**

- Employees who reported absence with Depression / Anxiety (32.45%), Heart failure (8.6%) and Osteoarthritis (7.95%) accounted for almost half (48.8%) of all disability related absence days
- Long COVID complications were also recorded as potential disability related absence and accounted for almost 5% of disability related absence

**COVID19 Related Absence:**

- 3.8 The Council was impacted by absence due to COVID-19 during quarter 3.**

A total of 305 employees were recorded as absent due to COVID-19 and this accounted for a total of 3657.44 days/15.5% of the total absence in quarter three.

It is worth noting that COVID-19 related absence in quarter three (1752.45 days), was higher than the total COVID related absence for quarter one and quarter two combined (1917.70 days).

COVID-19 related absence accounts, on average, for almost two days per FTE employee (1.81 days).

**Review of Attendance Policy:**

- 3.9 The Attendance Policy is under review. Consultation commenced with trade unions, however, they objected to the review of the Attendance Policy during COVID-19. CMT agreed to put the consultation on hold for 3 months until the end of June. Consultation recommenced however the trade union have still not engaged in the consultation process given their view that the review should not be done at this time. HR continue to address this matter with the trade union co-ordinators.**

**Stage 4 and Final Absence Hearings:**

- 3.10 A review was undertaken to identify the number of employees who had reached a Stage 4/final absence hearing (FAH) between October 2021 and December 2021.**

**Audit and Risk Panel,  
Tuesday, 8th March, 2022**

**In summary:**

- **14 employees met the trigger for a Stage4/FAH in quarter three**
  - **Three employees resigned prior to a Stage4/FAH being scheduled.**
  - **Discretion was applied to seven of these cases to Stage4/FAH due to an ongoing disciplinary case that was linked to an employee's absence (1), complex long term COVID case (1), serious underlying medical condition (1), work related assault (1) and the requirement for additional medical information (3).**
  - **Three employees were ill health retired prior to Stage4/FAH being scheduled.**
  - **One employee attended a Stage 4 / FAH and was dismissed.**

**In addition to the above fourteen cases, there was a final absence hearing conducted. This additional case was in relation to an employee who had met the trigger prior to October 2021. The employee was subsequently dismissed.**

**Corporate HR continues to monitor departmental compliance with the attendance policy. Non-compliance issues, in relation to the final stages of the attendance policy, are raised with Departmental senior management when necessary.**

**Departmental Improvement Plans:**

- 3.11 All departments returned their respective improvement plans for quarter three. Improvement plans highlighted steps that departments are taking to improve their attendance levels. For example, departments have identified and arranged for managers to attend Stress Awareness training where necessary.**

**Absence reporting to DMT:**

- 3.12 All departments returned their respective absence reporting dashboards for quarter three, including statistical data that is required for the dashboard. The reporting of non-compliance issues at DMT meeting needs to be improved.**

**4.0 Resource Implications**

**4.1 Directors have been asked to ensure that:**

- **Attendance management continues to be an item on DMT agendas and related matters discussed and appropriate actions taken forward; and**
- **Resources are in place to ensure that adequate monitoring and review is in place at department level.**

**5.0 Equality and Good Relations Implications**

**5.1 Approximately 42.5% of absence (10,021.01days) is recorded as disability related. The use of discretion and reasonable adjustments is considered in such cases.”**

The Panel noted the contents of the report.

**Update on Corporate Health and Safety Performance**

(Ms. E. Eaton, Corporate Health and Safety Manager, attended in connection with this item.)

The Panel was reminded that it was responsible for overseeing the Council's risk, control and governance arrangements for health and safety. In undertaking this function, the Panel provided independent scrutiny of the Council's health and safety performance, with reports being presented to it on a quarterly basis.

Accordingly, the Health and Safety Manager submitted for the Panel's consideration a report on corporate health and safety performance and activities for the quarter ending 31st December, 2021.

She provided, on a Departmental basis, information on the implementation of actions associated with the key performance indicators of health and safety and fire safety and pointed out that, at a corporate level, compliance rates had been 44% and 67% respectively.

In terms of accident/incident reporting, there had, in quarter three, been 18 employee accidents, 14 non-employee accidents, 7 RIDDOR accidents and 14 work related violence incidents, which represented a slight overall increase on the previous quarter.

Health and safety statutory agency enquiries correspondence had been received from the Health and Safety Executive Northern Ireland in relation to an event in Botanic Park, a potential Covid-19 cluster and a statutory examination defect report, all of which had been addressed.



**Audit and Risk Panel,  
Tuesday, 8th March, 2022**

In relation to Covid-19, the Corporate Health and Safety Unit continued 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 staff and others.

The Corporate Health and Safety Manager stressed that the resource required from the Corporate Health and Safety Unit to support the Council continued to be provided at the expense of a reduction in routine health and safety activity. Work was underway to replace two members of staff who had left the Unit during Quarter 4 and an additional temporary project post was also being recruited.

She concluded by stating that the Panel would, in due course, be provided with an update on the outcome of an investigation by the Police Service of Northern Ireland into a fatality involving a Council vehicle, which had occurred in Quarter 4.

In response to an issue which had been raised by the independent member, the Corporate Health and Safety Manager confirmed that the next report on Corporate Health and Safety Performance would provide information on the length of time in which outstanding high priority actions had been open.

The Panel noted the corporate health and safety performance and activities for the quarter ending 31st December, 2021.

**Audit Governance and Risk Services Progress  
Report – December, 2021 – February, 2022**

The Audit, Governance and Risk Services Manager submitted for the Panel's consideration a report providing an update on the progress which had been made on the delivery of the annual Audit Plan for the period from December, 2021 to February, 2022.

He reported that six audits/reviews had been finalised during that period, namely:

- Payroll (full audit 20/21);
- Payroll (data analytics February – November 2021);
- Procurement and Contract Management;
- Externally Funded Projects;
- Corporate Risk Review – Safeguarding; and
- A Review of Project Management Arrangements for the Asset Management System.

In response to a point which had been raised by Ms. Fahy around the need for the timely implementation of actions resulting from the corporate risk review on safeguarding, the Audit, Governance and Risk Services Manager confirmed that all actions were due to be implemented by September, 2022.

He went on to provide details of the assurance and advisory work which had been undertaken during the period around the SAP Replacement Project, the Customer Focus Programme and the new Neighbourhood Regeneration Fund.

**Audit and Risk Panel,  
Tuesday, 8th March, 2022**

In terms of progress against the Plan, at the end of February, 90% of assignments had either been completed or were in progress.

He then drew the Panel's attention to a number of reports/guidance documents which had been issued by the Northern Ireland Audit Office during the period in question and confirmed that the key messages from these had been summarised and circulated to relevant managers. A report would, he confirmed, be presented to a future meeting of the Planning Committee in response to the wider issues which had been raised within the Northern Ireland Audit Office's report on Planning in Northern Ireland.

The Audit Governance and Risk Services Manager also provided the Panel with a high-level update on investigations, the work being done on the Council's Corporate Fraud Risk Assessment and the completion of the last National Fraud Initiative exercise and indicative dates for the next exercise.

He concluded by recommending that the Panel note the contents of the report and agree, at the request of management, that, in light of current resource issues and year-end pressures, the audit of the Capital Programme be deferred until the 2022/23 Audit Plan.

The Panel adopted the recommendations.

**Update on Corporate Risk Management –  
Quarter 3 2021/22**

The Head of Audit, Governance and Risk Services submitted for the Panel's consideration the Corporate Risk Dashboard, which summarised the key updates from the risk review for the quarter ending 31st December, 2021. This included the financial position risk, the proposed closure of the risk on neighbourhood area planning, the three new Belfast Region City Deal risks, the Continuous Improvement risk relating to the completion of the pay and grading review, the review and update of the Local Development Plan risk which would take place in the next quarter to take account of the Planning Appeals Commission's findings.

Reference was made also within the Corporate Risk Dashboard to waste management risk, staffing and funding issues impacting on the management of Port Health risk, work underway on the People Strategy, the increased risk rating for the Resilience Strategy, work underway on the Customer Focus Programme risk, asset management risk and the actions which had been completed to help mitigate corporate risks.

The Head of Audit, Governance and Risk Services then updated the Panel on compliance with the Risk Strategy, based upon the assurance statements for the quarter ending 31st December 2021, which had been completed by senior management and outlined the main issues and actions contained therein.

Finally, she provided an update on business continuity management arrangements, with particular reference to the work being undertaken across critical

**Audit and Risk Panel,  
Tuesday, 8th March, 2022**

services to review and update their Business Continuity Management plans by 31st March, 2022 to cover a cyber-attack scenario.

The Panel noted the information which had been provided.

**Internal Audit Plan for 2022/23**

The Audit, Governance and Risk Services Manager submitted for the Panel's approval the Internal Audit Plan for 2022/23. The Plan set out the role of Audit, Governance and Risk Services as an assurance provider and advisory service which directly assisted the Council in meeting relevant statutory obligations in relation to internal control, risk management and good governance.

The detailed Plan listed the areas which Audit, Governance and Risk Services was planning to audit during 2022/23 and was based on an assessment of audit need, taking into account of a number of risk factors, with the aim being to audit key areas on a cyclical basis. The Plan had been discussed with each Department at quarterly risk and audit meetings and with the Northern Ireland Audit Office.

He went on to explain that the Plan recognised the fact that the Council was facing a number of significant challenges, both in terms of recovery from the pandemic and also significant change at senior management level. To reflect this, the Plan had been designed to support management and would be adjusted to meet the assurance and advisory needs of Members and management as required.

In addition to specific assignments, it also provided for support to the Council in terms of advisory work, project assurance, fraud prevention, detection and investigation, including a continued focus on the corporate fraud risk assessment and participation in the National Fraud Initiative, as well as raising concerns, risk management, business continuity management and corporate governance.

He added that the Plan would be achievable if Audit, Governance and Risk Services were to retain its full complement of staff during the year. However, should unforeseeable demands on resources arise during the year, it would prioritise the completion of high priority assignments. Any requests for deferrals made during the year would be brought to the Audit Assurance Board and the Audit and Risk Panel for consideration.

After discussion, the Panel approved the Internal Audit Plan for 2022/23.

**Northern Ireland Audit Office Audit Strategy 2021/22**

The Director of the Northern Ireland Audit Office reminded the Panel that the Northern Ireland Audit Office produced an Audit Strategy each year, prior to its audit of the Council's financial statements. Accordingly, she drew the Panel's attention to the Strategy document for 2021/22, which outlined the approach to the audit of the 2021/22 financial statements and the performance improvement and assessment audit for 2022/23.

**Audit and Risk Panel,  
Tuesday, 8th March, 2022**

The Strategy set out:

- how the Audit Office planned to audit the Council's financial statements for the year ending 31st March, 2022, including how significant risks of material misstatement to transactions and balances would be addressed;
- how the Audit Office planned to audit the proper arrangements in place for securing economy, efficiency and effectiveness in the use of resources for the year ending 31st March 2022;
- how the Audit Office planned to conduct an improvement audit and assessment;
- the planned timetable, fees chargeable and membership of the audit team;
- relevant updates to the Code of Practice on Local Authority Accounting in the United Kingdom; and
- matters which the Northern Ireland Audit Office was required to communicate to the Council, under International Standards on auditing, including the scope of the audit, respective responsibilities, and how independence and objectivity would be maintained.

The Panel noted the Northern Ireland Audit Office Audit Strategy for 2021/22, a copy of which is available [here](#).

**Update on Recommendations Monitor**

The Head of Audit, Governance and Risk Services provided the Panel with an update on the implementation of agreed audit actions, following the recent Recommendations Monitoring exercise in January, 2022.

She reported that there had, at the beginning of this exercise, been 303 "outstanding" actions. Audit, Governance and Risk Services had reviewed and, where appropriate, validated the progress that management had made to implement these. It had validated the full implementation of 84 of the 303 actions, resulting in an implementation rate of 28%. This represented a slight improvement on the 25% attained in the previous full monitoring exercise reported in June 2021. Implementation of actions had, she pointed out, been impacted by the pandemic, as had been seen by a fall in implementation rates from 31% in the full monitoring exercise reported in December, 2019 to 17% reported in a limited Covid-19 exercise in December, 2020. The implementation rate for this latest exercise had shown an ongoing improvement, as the Council continued to recover from the impact of the pandemic. It was important, therefore, that this was maintained, particularly considering the extent of organisational change over 2022.

**Audit and Risk Panel,  
Tuesday, 8th March, 2022**

She went on to outline the effect which the key issues arising from the monitoring exercise, including the impact that the pandemic, staff resource issues and the implementation of IT systems, had had on the capacity to implement audit recommendations in line with previously agreed timeframes.

She then highlighted the fact that a number of audit actions relating to improving project management arrangements for the completion of Phase Two of the HR/ Payroll system, were overdue, which were particularly important, given the number of corporate wide systems being implemented in 2022/23.

In a wider context, audit actions had been implemented and controls strengthened over IT security, organisational structure on the new HR/Payroll system, externally funded physical projects, capital projects, conflicts of interest/gifts and hospitality, the Planning Portal, cemeteries and the crematorium, markets and the Belfast Bikes scheme.

The Head of Audit, Governance and Risk Services went on to highlight three audits, namely, grants, capital programme and performance management, where Audit, Governance and Risk Services had raised corporate/strategic issues, rather than recommendations, to prompt discussion on how these would be addressed and outlined the progress which had been made to date.

She concluded by pointing out that, since many of the outstanding audit actions were due to be fully implemented in 2022/23, it was proposed that Audit, Governance and Risk Services would, in June, 2022, provide Directors with reports on outstanding audit actions for their Departments for review and discussion at their Departmental Management Team meetings. Audit, Governance and Risk Services would undertake a further full validation exercise in October/November 2022, with the outcome to be reported to the Panel in December.

During discussion, a Member expressed concern at the number of posts across the Council which had still to be filled, as alluded to in the report and sought clarification on the reason/s for the delay.

In response, the Deputy Chief Executive and Director of Finance and Resources pointed out that the delay could be attributed primarily to Covid-19, ongoing restructuring exercises, the requirement to have three people on an interview panel and the need to undertake an internal trawl in the first instance, all of which were being addressed.

The Panel noted the contents of the report and agreed that the Head of Human Resources would, at its next meeting, provide an update on the progress being made to recruit the posts referred to in the report and on the Council's recruitment process generally, in the context of the information which had been provided by the Deputy Chief Executive and Director of Finance and Resources.

**Update on Corporate Fraud Risk Assessment**

The Audit, Governance and Risk Services Manager reminded the Panel that it had, in late 2018, approved the first Corporate Fraud Risk Assessment exercise. Since then, significant work had been undertaken to ensure that the assessment reflected the key

**Audit and Risk Panel,  
Tuesday, 8th March, 2022**

areas of risk facing the Council and that management and staff were aware of these risks and mitigations required to manage them.

Following the publication, in August 2020, of the Northern Ireland Audit Office's guide on Covid-19 fraud risks, Audit, Governance and Risk Services had, in conjunction with Council Departments, reviewed, re-assessed and updated the Council's Corporate Fraud Risk Assessment.

He reported that, during the last quarter, Audit, Governance and Risk Services had met with Department managers to review the fraud risk assessments, discuss the ongoing impact of Covid-19 on the level of risk and agree any proposed changes to the level of risk. The delivery of fraud risk awareness training to Departments had also been completed.

Feedback from Departments had indicated that there was a recognition of the potential fraud risks facing the Council and that the opportunity to reflect on the control arrangements currently in place was welcomed. The review exercise had, therefore, been effective in terms of raising awareness of fraud risks and the importance of effective controls. Audit, Governance and Risk Services had recommended that Departments keep the assessments under review and carry out a formal review at least annually, which they had agreed to do.

The Audit, Governance and Risk Services Manager went on to point out that the top fraud risks for the Council continued to be:

- cyber fraud/attack
- changes to supplier bank details (bank mandate fraud)
- rates income / evasion (albeit outside Council control)
- grants processed outside of the Central Grants Unit
- funding agreements
- contract management
- planning Agreements/developer contributions and
- creditor payments.

He outlined the main changes resulting from the recent review and update of the corporate fraud risks and drew the Panel's attention to the corporate fraud risk assessment position at February, 2022. The assessment highlighted where risks had increased, decreased or remained the same, as well as the rationale for any changes. During 2021/22, Audit, Governance and Risk Services had supported management in developing fraud risk mitigation plans for eleven of the sixteen fraud risks referred to within the assessment document.

In terms of Audit, Governance and Risk Services' responsibilities/approach, he pointed out that it did not have responsibility for the detection or prevention of fraud, as this was a management responsibility. However, its auditors were alert to the risk of fraud when carrying out audits. Where appropriate, audits were planned to take into account the risk of fraud and included an evaluation of the effectiveness of controls to manage key fraud risks. Any significant issues arising from audits would be communicated to management to enable appropriate action to be taken. Audit, Governance and Risk

**Audit and Risk Panel,  
Tuesday, 8th March, 2022**

Services would ensure that these issues were considered as part of the corporate fraud risk assessment update.

He added that Audit, Governance and Risk Services would, capacity permitting, during 2022/23, be supporting management in developing fraud risk mitigation plans for the five remaining fraud risks. It would also provide them with advice on how best to use these fraud risk mitigation plans to promote fraud risk awareness in their teams and improve associated control measures and would assist in co-ordinating the annual update on the corporate fraud risk assessment for the Audit Assurance Board and Audit and Risk Panel.

The Audit, Governance and Risk Services Manager concluded by stressing that it was the responsibility of management to ensure that appropriate controls were in place to manage the risk of fraud and to review and update the fraud risk assessment, at least on an annual basis. Management was responsible also for ensuring that the fraud risk assessment was communicated to all relevant staff, to raise awareness of the risks and the importance of consistently applying controls and highlighting any areas of concern.

The Panel noted the information which had been provided.

**Northern Ireland Audit Office - Local  
Government Auditor's Report 2021**

The Director of the Northern Ireland Audit Office reminded the Panel that the Audit Office was required to produce an annual report providing a summary of the key issues which had arisen from audit work across all eleven councils in Northern Ireland. The report for 2021, relating to the 2019/20 financial year, had been published on 21st December, 2021.

She explained that the report included information on the Council, as well as comparative data with other councils, and provided details of observations/recommendations made by the Local Government Auditor on financial performance, good governance, performance improvement, the response to the Covid-19 pandemic and other matters.

The report had set out five areas which were of particular relevance to the Council, namely, medium-term financial planning, income generation, City Deal, IT security and asset management and had included a position statement on the work which was currently underway in each of those areas.

The Panel noted the Local Government Auditor's report for 2021, a copy of which is available [here](#).

**Peter Coll QC Report – Update on Action Plan**

The Panel noted the contents of a report providing a quarterly update on the progress of the agreed actions arising from the recommendations contained within Section 6 of Mr. Peter Coll QC's independent investigation into events at Roselawn Cemetery on 30th June, 2020.

**Audit and Risk Panel,  
Tuesday, 8th March, 2022**

**Update on Audit of Property Maintenance Unit**

(Mr. G. McFall, Property Maintenance Manager, attended in connection with this item.)

The Property Maintenance Manager reminded the Panel that a draft audit report on the Property Maintenance Unit, which had been issued in January, 2021, had contained twelve recommendations and two observations to be progressed. The implementation of the recommendations would be dependent on the following two key elements:

- i. a fit-for-purpose structure to develop solutions in response to the recommendations and the capacity to implement them; and
- ii. a corporate asset management system which would provide inherent solutions to several of the recommendations and assist with others (a fit-for-purpose structure was also required to assist in the implementation of this system).

He informed the Panel that the current Property Maintenance Unit structure had been in existence since 2006 and that, given the changes which had taken place across the Council since then, it was generally accepted that it was no longer fit for purpose. Whilst the unit was operating currently at reduced capacity, due to vacancies and sickness absence, it had been able to fill several vacancies on a temporary basis, via agency staff. That had assisted in keeping the Council's assets operational and legally compliant. The importance of the Property Maintenance function to the Council had been demonstrated by its classification as a critical service during the Covid-19 pandemic.

He then provided the Panel with an update on the work which had been undertaken since its last meeting to address the issues which had been highlighted in the audit.

In terms of the two key elements referred to above, the restructuring of the Property Maintenance Unit had been agreed with the Continuous Improvement Unit as being a key priority, given the Unit's importance to the Council. The restructure was one of two pilot initiatives being undertaken using a new process to arrive at an optimal structure, with the initial phase including engagement sessions with staff and key stakeholders to identify key issues or gaps. Staff had now been fully briefed on the proposed structure and individual and group engagement sessions had also been completed. The process of briefing other key stakeholders, including Council Departments, GLL and the Belfast Waterfront Hall had also concluded. The Continuous Improvement Unit was now compiling the information, with a view to producing a report for consideration by the Director of Physical Programmes and the Property Maintenance Manager.

He reported further that, in relation to the Asset Management System, work was focusing on the completion of the interface between SAP and the new Concerto Asset Management System. The implementation of the various modules within the latter system was dependent upon the successful implementation of this interface, including the Helpdesk and Planned Maintenance Modules. Initial meetings had taken place with



**Audit and Risk Panel,  
Tuesday, 8th March, 2022**

the team responsible for the replacement of the current financial system, with a view to maximising the functionality between the new asset management and financial systems.

The Property Maintenance Manager then provided details on progress which had been made and/or actions which had been completed in a number of other areas, such as ensuring that procurement processes were commenced well in advance of existing contracts expiring to ensure that continuity of service and value for money were achieved. Procurement planning had been included as a standing agenda item in operations management meetings and was reported upon at monthly operational meetings. In addition, a new Service Level Agreement, which had been agreed with the BWUH Management Team, had been reviewed and signed off by the Legal Services Section and a new Service Level Agreement with GLL was currently under development.

The Panel noted the information which had been provided.

**Audit and Risk Panel/Audit Assurance Board –  
Annual Review of Terms of Reference and  
Programme of Work 2022**

The Head of Audit, Governance and Risk Services advised the Panel that, in line with good practice, the statement of purpose and terms of reference of the Audit and Risk Panel and the Audit Assurance Board were reviewed on an annual basis. These were important in that they set out the role of the Panel and the Board, in the context of the Council's governance structures.

She reported that, following the establishment, in October 2021, of the Standards and Business Committee and with reference to the Chartered Institute of Public Finance and Accountancy's guidance of 2018 for audit committees, the terms of reference for the Audit and Risk Panel had been amended to provide for the inclusion of the following wording: *"to consider the effectiveness of Standards and Business Committee as part of the annual governance review"*.

The terms of reference for the Audit Assurance Board had also been amended to remove reference to the Director of City and Organisational Strategy as being a member of the Board. The Director had initially been included on the Board as an observer but no longer attended these meetings.

The Head of Audit, Governance and Risk Services went on to report that, in accordance with good practice, the quarterly meetings of the Panel had been aligned with an indicative programme of business. That had been designed to ensure that the Panel demonstrably addressed/discharged its roles and responsibilities, as set out in its statement of purpose and terms of reference. An indicative programme of business for 2022 was being presented to the Panel for approval.

The Panel approved the statement of purpose and terms of reference of the Audit and Risk Panel and the Audit Assurance Board, as amended, and approved also the indicative programme of business for 2022.

**Audit and Risk Panel,  
Tuesday, 8th March, 2022**

In addition, it:

- i. noted that the Deputy Chief Executive and Director of Finance and Resources would, at the next meeting of Party Leaders, emphasise the need for each Party's representative on the Audit and Risk Panel to attend meetings on a consistent basis; and
- ii. agreed that a legal opinion be sought on whether a conflict of interest existed for those Members who sat on both the Standards and Business Committee and the Audit and Risk Panel.

**Performance Improvement - Northern Ireland Audit  
Office Performance Assessments**

The Deputy Chief Executive and Director of Finance and Resources informed the Panel that Part 12 of the Local Government (Northern Ireland) Act 2014 placed a duty on the Council to make arrangements to secure continuous improvement in the exercise of its functions. With that in mind, he drew its attention to the following Northern Ireland Audit Office Performance Assessments:

**2019/20**

He reported that, due to ongoing pressures associated with the Covid-19 pandemic, the Northern Ireland Audit Office's audit and assessment of the Council's improvement activity for 2019/20 had only been completed in February, 2021. The final audit report had been issued on 9th December, one year later than usual.

The Local Government Auditor had certified the performance arrangements with a standard, unqualified opinion. The Council had met its requirements under Section 92 of the Local Government (Northern Ireland) Act 2014, in terms of the publication of improvement information and had acted in accordance with the Department for Communities' guidance sufficiently. No recommendations had been made under section 95(2) of the aforementioned Act and no recommendations or proposals had been identified for improvement.

The Panel approved the Northern Ireland Audit Office's report on the Council's improvement activity for 2019/20.

**2021-22**

The Deputy Chief Executive and Director of Finance and Resources reported that the Covid-19 pandemic had delayed the commencement of the Northern Ireland Audit Office's audit and assessment of the Council's improvement activity for 2020/21 until December, 2021. A draft audit report had been forwarded to the Council on 21st February and was now being presented to the Audit and Risk Panel for approval.

**Audit and Risk Panel,  
Tuesday, 8th March, 2022**

The Local Government Auditor had certified the performance arrangements with an unqualified audit opinion, without modification. The Council had discharged its performance improvement and reporting duties, as set out within the Local Government (Northern Ireland) Act 2014, including its assessment of performance for 2020-21 and its 2021-22 improvement plan, and had acted in accordance with the relevant guidance.

He went on to explain that the Covid-19 pandemic had removed the requirement for the Council to draft a Performance Improvement Plan for 2021-22. In the absence of guidance around the arrangements to be in place for performance assessment, the Performance Unit had compiled a short summary update on the Statutory Performance Indicators and had published its figures by the deadline of 30th September, 2021.

The audit report had acknowledged that the Council had produced a Recovery Plan and that, whilst there had been no obligation to include a year-end assessment of the Plan, it would have been desirable to have had this included in the performance assessment. He pointed out that, although a formal annual update of the Plan had not produced, Members and senior officers had, over the course of the pandemic, been provided with regular weekly and monthly updates on various aspects of the Council's activities to support recovery.

The Deputy Chief Executive and Director of Finance and Resources concluded by pointing out that, for 2021–22, the Council had developed an Improvement Plan, based upon its Recovery Plan. A full update on the Improvement Plan would be produced at year-end, as part of the Annual Performance Assessment and in line with the Local Government Auditor's proposal for Improvement.

The Panel approved the Northern Ireland Audit Office's audit and assessment of the Council's improvement activity for 2020/21.

**Performance Improvement – Q3 Performance 2021- 22/  
Update on Arrangements for 2022-23 Improvement Plan**

The Deputy Chief Executive and Director of Finance and Resources reminded the Panel that Part 12 of the Local Government (Northern Ireland) Act 2014 required councils to agree improvement objectives on an annual basis and to publish them in the form of an Improvement Plan by 30th June.

This year, as the Council transitioned from the impacts of the pandemic, it had once again adapted its improvement objectives in such a way as to provide an appropriate balance between corporate planning and recovery work.

He reported that the strategic structure which had been used in 2021-22 by the Council to explain improvement objectives appeared to have been well received by residents. That format would be retained for the 2022–23 improvement objectives, as it allowed for Covid-19 considerations to be incorporated and for specific improvement to be articulated in a meaningful way for the public.

He reminded the Panel that the Strategic Policy and Resources Committee, at its meeting on 18th February, had agreed the following draft improvement objectives for 2022-23 and approved their issue for public consultation, in line with statutory guidance:

**Audit and Risk Panel,  
Tuesday, 8th March, 2022**

<b>Our Services</b>
We will continue to adapt and improve our services
<b>Our Communities</b>
We will work to support our communities, helping them to become stronger, healthier and more resilient
<b>Our Economy</b>
We will work collaboratively to support businesses, jobs and inclusive growth
<b>Our Environment</b>
We will champion climate action; protect the environment and improve the sustainability of Belfast
<b>Our City</b>
We will continue to support our city to recover and innovate in a safe, inclusive and sustainable way

The Deputy Chief Executive and Director of Finance and Resources confirmed that the Council would issue the improvement objectives via its on-line engagement platform, with an eight-week consultation period running from March to April, 2022. During that time, Audit, Governance and Risk Services would work with Departments to develop detailed actions, milestones and performance indicators and would update those, based on public feedback. A final report and draft improvement plan would, in June, be submitted to the Strategic Policy and Resources Committee for approval and be published thereafter.

He went on to draw the Panel's attention to the Quarter 3 update on progress made against activities contributing to the improvement objectives contained within the Council's 2021-22 Improvement Plan. The update outlined the key milestones, provided a summary of activity under each objective and included the most up to date position in relation to the performance indicators included within the Plan. Progress against all the objectives had, largely, been on target, and an explanation had been provided for those which had been delayed. A further report on progress would be presented to the Panel at the year-end.

He then reported that the Department for Communities had recently launched a consultation on The Local Government (Performance Indicators and Standards) (Amendment) Order (Northern Ireland), 2022. The consultation outlined proposed changes to how business start-up activity was measured. The Council had drafted an outline response which, on 9th February, had been approved by the City Growth and Regeneration Committee. He added that the Performance Improvement Working Group would continue to have discussions with the Department for Communities and the Northern Ireland Audit Office on performance improvement and the further review of statutory indicators and that the Panel will be updated on the outcome.

**Audit and Risk Panel,  
Tuesday, 8th March, 2022**

**Change of Date of September Meeting**

The Panel acceded to a request from the Northern Ireland Audit Office to move its meeting in September from Tuesday, 6th to Tuesday, 13th, to allow the Audit Office sufficient time to complete its audit of the financial statements. The meeting would, as usual, commence at 12.30 p.m.

**Date of Next Meeting**

The Panel noted that its next meeting would take place on Tuesday, 7th June at 12.30 p.m.

Chairperson