

**AUDIT COMMITTEE MEETING WEDNESDAY 9 MARCH 2022**

<b>No</b>	<b>Item</b>	<b>Summary of key Recommendations</b>
<b>1.</b>	Apologies	<b>Councillors McMullan, Peacock and Schenning</b>
<b>2.</b>	Declarations of Interest	<b>None</b>
<b>3.</b>	Minutes of Audit Committee Meeting held Thursday 8 December 2021	<b>Taken as read and signed as correct</b>
<b>4.</b>	Northern Ireland Audit Office (NIAO)	
<b>4.1</b>	Audit Strategy for Causeway Coast and Glens Borough Council 2021-22	<b>Information</b>
<b>5.</b>	Internal Audit (Causeway Coast and Glens Borough Council)	
<b>5.1</b>	Progress Report 2021/22 and Annual Audit Plan 2022/23	<b>Information</b>
<b>5.2</b>	PCSP Internal Audit Report	<b>Information</b>
<b>5.3</b>	Car Parking Income Internal Audit Report	<b>Information</b>
<b>6.</b>	Internal Audit (Moore Ni)	
<b>6.1</b>	Caravan Parks Internal Audit Report	<b>Information</b>
<b>6.2</b>	Street Cleansing Internal Audit Report	<b>Information</b>
<b>6.3</b>	Follow-Up Report on The Review of Agency Costs	<b>Information</b>
<b>7.</b>	Direct Award Contracts	<b>Information</b>
<b>8.</b>	Performance Improvement	
<b>8.1</b>	NIAO Improvement Audit and Assessment Letter	<b>Information</b>
<b>8.2</b>	NIAO S.95 Audit and Assessment Report 2021-22	<b>Information</b>
<b>8.3</b>	NIAO Audit Certificate of Compliance 2021-22	<b>Information</b>
<b>9.</b>	Absence Report Quarter 3, 2021/2022	<b>Information</b>

<b>No</b>	<b>Item</b>	<b>Summary of key Recommendations</b>
<b>10.</b>	Prior Year Recommendations – Action Plan 2021/22	<b>Information</b>
<b>11.</b>	Request to Change Date of Audit Committee	<p><b>To recommend that the date of the September Audit Committee meeting is permanently changed from Wednesday Week 2 to Wednesday Week 3 to facilitate Audit deadlines</b></p> <p><b>Convene a Special Council Meeting annually following the September Audit meeting</b></p>
<b>12.</b>	Matters for Reporting to Partnership Panel	<b>None</b>
<b>13.</b>	Correspondence	
<b>13.1</b>	NIAO Annual Audit Letter 2020/21	<b>Information</b>
<b>13.2</b>	NIAO Report - Planning in Northern Ireland	<b>Information</b>
<b>13.3</b>	NIAO Local Government Auditors Report	<b>Information</b>
	<b>'In Committee' (Items 14-16 inclusive)</b>	
<b>14.</b>	Corporate Risk Matrix	<b>Information</b>
<b>15.</b>	Legal Cases Activity	<b>Information</b>
<b>16.</b>	Whistle Blowing /Fraud	<b>Information</b>
<b>17.</b>	Any Other Relevant Business	<b>None</b>
<b>18.</b>	Date of Next Meeting – Wednesday 8 June 2022 at 7pm	<b>Information</b>

**MINUTES OF THE PROCEEDINGS OF THE MEETING OF  
THE AUDIT COMMITTEE  
HELD IN COUNCIL CHAMBER CIVIC HEADQUARTERS AND VIA VIDEO  
CONFERENCE ON  
WEDNESDAY 9 MARCH 2022 AT 7.03PM**

**In the Chair:** Councillor Nicholl (C)

**Members Present:** Alderman McKeown (R), Robinson (R), S McKillop (R)  
Councillors Anderson (C), Beattie (R), Holmes (R), MA  
McKillop (R), McQuillan (C), P McShane (R), Wallace (R),  
Watton (C)

**Ind. Member Present:** I Mitchell (C)

**Officers Present:** M Quinn, Director of Corporate Services (C)  
D Wright, Chief Finance Officer (R)  
A Ruddy, Audit, Risk & Governance Manager (C)  
S Duggan, Civic Support & Committee & Member Services Officer (C)

**In Attendance:** C Kane, Director & Local Government Auditor, NI Audit Office (R)  
C McHugh, Internal Auditor, Moore (NI) (R)  
  
C Thompson, ICT Officer (C)  
C Ballentine, ICT Officer (C)  
  
Press 1no. (R)

**Key:** (C) = Attended in The Chamber  
(R) = Remotely in attendance

The Director of Corporate Services undertook a roll call.

The Chair advised Committee of its obligations and protocol whilst the meeting was being audio recorded; and with the remote meetings protocol.

**1. APOLOGIES**

Apologies were recorded for Councillors McMullan, Peacock and Schenning.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **3. MINUTES OF AUDIT COMMITTEE MEETING HELD THURSDAY 8 DECEMBER 2021**

Copy, previously circulated.

Proposed by Councillor Watton  
Seconded by Councillor McQuillan and

**AGREED** – that the Minutes of the Audit Committee meeting held Thursday 8<sup>th</sup> December 2021 were taken as read and signed as correct.

### **4. NORTHERN IRELAND AUDIT OFFICE (NIAO)**

#### **4.1 Audit Strategy for Causeway Coast and Glens Borough Council 2021-22**

Report, previously circulated, presented by the Director and Local Government Auditor.

- The Director and Local Government Auditor set out the Audit Strategy 2021/'22 Financial Statements and Performance Improvement Assessment Audit 2022/'23 and drew Committee's attention to the requirements for the Audit Committee outlined on page 3.
- Page 4 outlined the basis for the materiality calculated at the planning stage of the Audit, assessing any errors or misstatements against this level of materiality to consider the impact on the audit opinion. The Director and Local Government Auditor advised Northern Ireland Audit Office (NIAO) also consider the materiality of any Findings in respect of areas of sensitivity for example, disclosures of Officers and Councillors remuneration or the legality of expenditure.
- Page 7 highlighted the risk-based approach and at the outset identify significant risks, risks that might have the potential to impact on the Audit opinion.
- The Audit is carried out within International Standards of Auditing (ISA's), there is a presumed significant risk of material misstatement due to fraud through the management override of controls. A suite of audit tests designed to test for this risk.

- A second presumed significant risk coming from the ISA's, revenue recognition, but as the majority of Council's income comes from Rates, or Central Government, this risk has been rebutted.
- As well as significant risks, three risk factors have been identified, outlined on page 7 and page 8:
  - The first, procurement, N Ireland Audit Office have raised issues with regarding non adherence to procurement processes in previous audits and focus again on this area.
  - The second area is in respect of leases, raised again in respect of previous audits and will be looked at again with this audit.
  - Lastly, Financial resilience and the impact of the pandemic on Council finances continues, looking at Council's financial projections and planned actions.
- Page 9 outlined the timetable for completion of the Audit of the Financial statements and Page 11 outlined the Timetable for the completion of the Performance Improvement and Assessment Audit and Fees.
- Page 12 noted the ongoing Extraordinary Audit, the Audit fieldwork has been completed, and are continuing to liaise with Legal Advisors on the processes and Findings from the Audit, to be finalised as soon as proper quality and review processes have been completed and publication will take some months to complete.
- Page 13 and Page 14, the Audit Teams; Acknowledge ongoing work and Good Practice Guides the Audit Office have produced recently.

The Chair invited questions.

In response to Councillor Watton, the Director and Local Government Auditor clarified the Extraordinary Audit timescale, there were ongoing discussions with Legal Advisors, in terms of Legislation required to be met, and could not be more precise.

Councillor P McShane expressed concern with the Extraordinary Audit and the length of time it was taking and understood there will be significant legal factors to look at. Councillor P McShane referred to the Risk Matrix report, he suggested the Extraordinary Audit could be a significant risk to Council, he advised the report was being pre-empted. A Public Relations (PR) exercise as Council's response and to take control of the Policies and Procedures to implement, he considered this would have been the first thing carried out.

Councillor P McShane stated concern the Extraordinary Audit timing would be after the Elections, and prior would have been more significant, Politicians more cognisant of. The Risk strategy management override of controls and procurement processes prove conditions are being created to allow for abuse, and reported annually by the Audit Office. Councillor P McShane stated he had evidence contracts given outside the Procurement Process, leading to a perception the organisation was corrupt, he would share with the Northern Ireland Audit Office and Department.

Councillor P McShane referred to issues surrounding staffing and absenteeism, he stated the Audit Office need to look at this for its incoming Strategy. He advised of staff bullying, and pressure to work outside the scope of employment, engaging in practices that were unethical. He stated Council are losing more days to staff going off because of mental health issues related to employment, that people are working from home, coming into work was making people sick; that HR (Human Resources) need to be more proactive to protect employees.

Councillor McQuillan expressed disappointment surrounding the length of time for the Extraordinary Audit, he questioned what the Legal Opinion was and who was paying for the Extraordinary Audit and Legal Opinion referred to.

The Director and Local Government Auditor clarified Legal Opinion had been sought from the outset in order to ensure compliance with Legislation, which was not in place elsewhere. She advised of a sensitive report, to go through proper scrutiny and would be completed as soon as possible. Clarification was given that the Legislation required Council to pay for the Extraordinary Audit and Legal Opinion, the estimated fees would be brought to the next Committee meeting.

The Independent Member questioned the Audit on Performance Management, given Limited Assurance last year, and because of the constraints of the Audit, whether there was a full Audit this year.

The Director and Local Government Auditor advised the 2019/'20 position Improvement Planning and Assessment, reverting to the full original timetable and complete suite of Performance Improvement and assessment.

## **5. INTERNAL AUDIT (CAUSEWAY COAST AND GLENS BOROUGH COUNCIL)**

### **5.1. Progress Report 2021/22 and Annual Audit Plan 2022/23**

Report, previously circulated, presented by the Audit, Risk and Governance Manager.

#### **Background**

The purpose of this report is to provide an update in terms of the internal audit work completed to date for the financial year 2021/22. Secondly the report is to inform Audit Committee Members of the internal audit plan for the financial year 2022/23.

### **Progress of Internal Audit Plan for 2021/22**

The table below (circulated) shows internal audit assignments that carried forward from the 2019/20 financial year. These audits were carried forward mainly due to the following: an internal audit vacancy and the resources taken to complete the internal audit in respect of land disposals.

(Table circulated).

To add to the challenges faced by internal audit the Covid-19 pandemic resulted in large scale working from home which has had a knock-on impact on the time taken to complete audits and the physical verification of assets and documents.

Internal audit has had to prioritise work that could be performed remotely and defer audits where facilities were not opened for a large proportion of the year or where the service area were delivering front line services to the public.

The table (circulated) shows the internal audit work performed for 2021/22, the table details whether the work is to be completed in house or contracted out to Moore NI. If the assignment is completed the assurance rating is noted or the expected time frame for completion is noted. Whilst internal audit has made good progress in addressing the backlog, it is anticipated that a small number of audit assignments may roll forward into the 2022/23 financial year.

It is predicted that over 80% of the planned internal audit work for 2021/22 will be completed within the year which will allow Internal Audit to sign off the annual assurance for the year. Audit fieldwork is expected to continue into April and May to achieve this percentage of completed audit work for the year. A number of short follow-up reports have also been completed in year, where the audit area received a limited level of assurance. These were completed in order to determine if progress had been made in implementing the recommendations, 220309 AC Page 4 of 4 these include Council use of Credit Cards and the Management of Agency Staff.

### **Looking Forward**

For 2022/23 internal audit work will revert back to the four-year audit plan as per the 2019-23 audit strategy agreed in this term of Council. The allocation of internal audit work will be determined at a later date.

(Table circulated).

### **Recommendation**

This report is for information purposes, to keep members informed of the work completed to date and planned for the next financial year. This report does not require approval.

The Independent Member referred to the 2019/20 whole audit plan that had not been fulfilled due to staffing difficulties and Covid and questioned, whether what was proposed was too ambitious, bearing in mind trying to catch up on previous years.

The Audit Risk and Governance Manager advised that the Audit Plan was comprehensive, with sixteen Audits performed in any one year. She reminded Committee she had asked for additional Staffing Resources, with Moore NI at the end of 2019/20 as the planned audit work had not been fully completed Remotely, internal audits were taking slightly longer to complete and this issue is being noted across the board. If resources are not sufficient during 2022/23 a report will be brought mid-year to address where we are and ask for additional resources.

## **5.2 PCSP Internal Audit Report**

Report, previously circulated, presented by the Audit, Risk and Governance Manager:

- Page 4, there was a Satisfactory Level of Assurance;
- Page 5 attention to the work performed during the Pandemic, grants paid in the form of Community Support, there was a quick turnaround time;
- There were 5 Recommendations listed on pages 6-10, 4 Priority 2 Recommendations and 1 Priority 3 Recommendation, classified as Low;

Issue 3 – Assessment Panel, page 8:

- Internal Audit noted that the PCSP grant scoring panel is 7 member volunteers who can be called to sit on an assessment panel. The minimum number for a panel is 4 however if a PCSP board member declares a conflict of interest with any organisation/group/company applying for grants, tendering to provide services or carrying out services on behalf of the PCSP, and the panel member leaves the room then the total panel number may be reduced to 3 for the assessment which falls below the required number;
- There is a risk that the number of panel members may not be sufficient to allow for an effective assessment of applications;
- It is recommended that the PCSP Manager and Officers actively seek to increase the number of members who sit on assessment panels. Audit recommend that the number of 7 members be increased to 9 to draw from a larger pool of available panel members.



#### Issue 5 – Declarations (Conflicts) of Interests

- Audit notes that Declarations of interests are completed by all Staff, Elected and Independent members of the PCSP. Audit noted occasions when declarations of interest received were not be complete, with personal interests/relationships not being disclosed on these forms;
- There is a risk that declarations of interest may be incomplete and therefore that potential conflicts are not being appropriately managed;
- It is recommended that the PCSP Manager and Officer reviews the declarations of interests received and confirm with the members of PCSP that they are complete.

### 5.3 Car Parking Income Internal Audit Report

Report, previously circulated, presented by the Audit, Risk and Governance Manager, referring to Page 3, advised there was a Satisfactory level of Assurance.

There were 4 Recommendations commencing Page 5-Page 9, 3 Priority 2 Recommendations and 1 Priority 3 Recommendation.

The Audit, Risk and Governance Manager drew Members' attention to write off PCN Appeals.

#### Issue 3 – Write Off Penalty Charge Notice Appeals (PCN's)

- The process for handling appeals and collecting outstanding PCN's was noted to be working well with the appropriate recovery action being taken where necessary. However, an issue was noted in that unrecoverable PCN's and appeals where amounts are written off by the Contractor as uncollectable had not obtained approval from the Chief Finance Officer, in addition this amount has not been reported to Council for consideration;
- Amounts written off may not have received the appropriate delegated approval within Council;
- Recommendation: Within the Council's debt policy amounts less than £1,000 can be written off with the approval of the Chief Finance Officer (Head of Finance). Debts amounting to over £1,000 needs the delegated approval of the Council. It is recommended that PCN amounts written off each quarter is presented to the Chief Finance Officer for consideration, approval and presented to the Finance Committee for information purposes. Where these amounts are more than £1,000 a report should be prepared and presented to the Finance Committee on a quarterly basis for approval.

In response to Councillor McQuillan, the Audit, Risk and Governance Manager advised PCN Enforcement is contracted out and they are taking the decisions to write off the debt. They do not have the delegated authority, and are required to be approved by the Chief Finance Officer or Chamber, it was good practice to give Elected Members an indication of the amounts written off.

The Independent Member referred to Item 6.1, Car Parking Income Policy, she stated that given the Council has a substantial number of car parks operating in its area, stated concern there was not a Car Park Income Policy or Procedure in place. The Independent Member noted the implementation date of April 2022, and asked Management that assurance would be given and priority that it is being developed and implemented.

The Director of Corporate Services advised the report had been shared with Director of Environmental Services and Chief Finance Officer and they had signed up to and were obligated to do so, that recommendations would be updated on a quarterly basis.

## **6. INTERNAL AUDIT (MOORE NI)**

### **6.1 Caravan Parks Internal Audit Report**

Report, previously circulated, presented by Internal Auditor, Moore (NI).

The Internal Auditor, Moore NI advised of a Satisfactory Level of Assurance, there were 4 Priority 2 Recommendations and 3 Priority 3 Recommendations.

Procedures and controls are in place around pitch allocations, pitch fees and income. Recommendations have been made regarding documenting procedures. A recommendation had been made around governance, expecting more detail in the summary of the evaluation of bids for pitch allocations, the process working well and detail of Conflicts of Interests required.

The Internal Auditor, Moore NI advised there was a lot of work in Pitch fee annual income and raising of Licence agreements, a very cumbersome manual process, issuing invoices for fees, was labour intensive using spreadsheets, and despite that, very few errors and debts minimal, she was satisfied the income being collected. She advised Risk assessments were in place and routine maintenance taking place.

The Recommendation ensuring there was a comprehensive 5-year plan for Leisure Parks in place, work had started and stalled because of the pandemic. Leisure Parks a huge asset, investment needed to make the parks as economically viable for Council as possible.

Councillor Anderson referred to risks associated with caravan pitches not consistently allocated and Income and why the 5-year plan had been put on hold.

The Internal Auditor, Moore NI advised she had looked at the worst case scenario in terms of risks, a key risk there might not be a fair process of allocating pitches. However, when looked at it, there was a detailed process in place with strong controls. She was Satisfied that it was well controlled and made recommendations on how it can be improved.

The Internal Auditor, Moore NI advised of the same process for income for Caravan Pitches, she had looked at the biggest Risk, income from fees and sales of Holiday Homes, that may not be managed properly and leading to a loss of income for Council. However, when the Internal Auditor had completed the review and testing she was happy with the procedures in place and made 2 recommendations.

The Internal Auditor, Moore NI, referred to a 5-year investment plan; an initial Document was created in 2019, a starting point, but because of Covid was not prioritised, and huge work surrounding Covid took over. She stated the Caravan Parks were a huge investment, that Council is required to quantify what is needed and consider does Council have the resources to do this in the medium-long term or are there other things to be considered in terms of the management of the Parks going forward.

The Director of Corporate Services referred to routine maintenance, low value capital investment and Council would be looking at significant capital project works, and long-term Investment through channels such as the Finance Committee.

The Independent Member, referring to the various issues, stated surprise at the Satisfactory Rating, and queried whether it was close to Limited, given the number and nature of the issues.

The Internal Auditor, Moore NI confirmed scoring and judgement had been applied, there were strong Policies and Procedures around this, she referred to the amount of manual work, updating licence agreements, pitch fee invoicing, 950 pitches to be managed, and to find a small number of errors and very little debt, that gave her strong assurance the risks were being well managed. She stated the biggest issue, the future of the Caravan Parks, a Policy was required to quantify.

The Chair referred to the issues, he stated that Director's, Councillors and Staff cannot get complacent, and ensure there is satisfactory assurance.

## **6.2 Street Cleansing Internal Audit Report**

Report, previously circulated, presented by Internal Auditor, Moore (NI).

The Internal Auditor, Moore NI advised of a Satisfactory level of Assurance, there were 4 Priority 2 Recommendations and 3 Priority 3 recommendations. She advised:

- Ensure work is being planned appropriately so the Code of Practice for Litter NI was being complied with and ensure risk assessments and Health and Safety was operational to ensure safe practices;
- Risk assessments were all in place, there was inconsistency as to how it was being recorded between the Departments and training was being recorded, there had been no evidence Risk Assessments were not being kept up to date and not being provided to staff and no evidence training was not being provided, based on the sample;
- Work planning around Street Cleansing guided by Code of Practice, setting out zones for Council to maintain and how often. The Internal Auditor stated she was looking at how this was being managed, the planning in place and was being managed well, there was a pressure on resources in the area of operations, scheduled street cleansing work can be cancelled in this case. However, this has not impacted on complying, and the Street Cleansing Operations Teams needed to be cognisant of, and develop KPI's to look at the impact of where Street Cleansing has to be rescheduled, if it has to be moved somewhere else, to ensure there are no serious impacts.

### **6.3 Follow-up Report on the Review of Agency Costs**

Report, previously circulated, presented by Internal Auditor, Moore (NI).

The Internal Auditor, Moore NI advised of a review of Limited levels of Assurance for areas worked on last year to ensure the recommendations were being implemented and progressed.

There had been 9 Recommendations last year, all 9 had been addressed by Human Resources (HR). A lot of work took place, OD/HR developed a lot of additional reports to provide to Senior Management Team, the information helped keep pressure and keep awareness on the fact Agency Staff had to be managed and reduced where possible. Terms and Conditions were starting to be harmonised in agreed Service areas and were making an impact on Agency Staff going forward. The Internal Auditor offered to reassure Elected Members Recommendations had been taken seriously and were being implemented.

The Independent Member commented that Agency Staff was a very difficult area to manage and commended Management on a successful outcome.

Councillor McQuillan stated some comfort was given with this and asked for an update on harmonisation of Terms and Conditions.

The Director of Corporate Services advised the management proposal for harmonisation of Terms and Conditions had been agreed for Environmental Services and was moving to assimilate staff.

The Director of Corporate Services agreed to speak to Councillor McQuillan directly regarding a staff matter he had raised.

## **7. DIRECT AWARD CONTRACTS**

Information report, previously circulated, presented by the Chief Finance Officer.

Causeway Coast and Glens Borough Council approved an updated Procurement Policy in March 2021.

### **Detail**

The new policy addresses a number of recommendations that had been made in reference to the old policy. One such recommendation was the inclusion of guidance around single tender actions or Direct Award Contracts (DAC). The policy gives guidance and sets out a procedure to follow in such circumstances.

### **DAC Process**

In all cases where council staff are considering the use of the award of a contract without competition, they must seek guidance from the procurement officer before proceeding as such an approach will be easily challenged in the courts unless rigorously supported by appropriate documentation and completed in accordance with the legislative requirements.

### **Authorisation required**

When a member of council staff has spoken with the procurement officer - and discussed all the alternative options available - and wishes to proceed with the award of a contract without competition the staff member should seek approval of their approach from the Senior Management Team before seeking Council approval to award.

A detailed report should be completed by the member of staff requesting the contract award explaining their rationale and the consideration given to all alternative options in conjunction with discussions between the staff member and the procurement officer. The template provided in Annexe 6 – Direct Award Contract Form should be fully completed by the member of staff requesting the contract award.

Once completed, this document will require authorisation from the Senior Management Team before proceeding to the relevant committee for consideration. Upon agreement from the Council the staff member should contract the procurement officer to assist with the contract award to the chosen supplier.

## **DAC Approvals**

The purpose of this short report is to inform members of those DAC's which have been approved since 1 January 2021 and these are listed below (table circulated), it should be noted that none of these required Council approval at the point of award.

The Independent Member queried the DAC Bank of Ireland and whether contractual cover was in place.

The Chief Finance Officer clarified the current contract expired in March 2022, and under normal circumstances would go out to market for Tender, however, currently a new Banking System was being implemented and rather than adding risk to the transactional banking processes and providers, would extend the contract for 6 months to September 2022.

Councillor Anderson requested information on a Direct Award Contract, unearthing Graveyard History.

The Chief Finance Officer advised it was an historic graveyard, media presentation and agreed to further enquire and circulate to Committee Members.

## **8. PERFORMANCE IMPROVEMENT**

Report, previously circulated, presented by the Director and Local Government Auditor.

The report issued in accordance with an agreed revised timetable. The Audit examined the assessment report relating to the 2020/'21 and review of the Improvement Plan 2021/'22.

The Department had advised Council's there was no requirement for a plan for 2020/'21 as part of the outset of the pandemic, but Council did prepare a recovery plan. An Improvement Assessment report was produced by Council at the end of September on the basis of that recovery plan.

The Director and Local Government Auditor concluded Council met its legislative requirements in relation to improvement, planning and publication of improvement information. In light of the pandemic on Council's and impact on Council Services, the Local Government Auditor was unable to assess whether Council met the requirements of the legislation for improvement assessment and that was the assessment for all Councils.

Overall an Unqualified Audit opinion was issued.

There were 3 proposals for Improvement outlined within the report and was asking Council to monitor these and ensure they were taken forward for Performance improvement and assessment.

## **8.1 NIAO Improvement Audit and Assessment Letter**

Report, previously circulated.

## **8.2 NIAO S.95 Audit and Assessment Report 2021-22**

Report, previously circulated.

## **8.3 NIAO Audit Certificate of Compliance 2021-22**

## **9. ABSENCE REPORT QUARTER 3, 2021/2022**

Report, previously circulated, presented by the Director of Corporate Services.

### **Purpose of Report**

The purpose of this report is to provide Members with Quarter 3 (1 March 2021 to 31 December 2021) information regarding Absenteeism throughout the Council.

### **Background**

Absenteeism within the Council is closely monitored and managed in accordance with Policies and Procedures, and in line with NJC Terms and Conditions.

ODHR Business Partners work closely with each of the Directors, Managers and Supervisors to assist and support through a range of preventative proactive measures alongside the reactive to include referrals to Occupational Health, absence review meetings, referrals for Ill Health Retirement.

### **Performance Improvement Plan 2021/2022**

#### **Progress to date – Quarter 1 (1 April 2021 - 31 December 2021)**

#### **Objective 1, Performance Improvement Plan**

#### **Outputs**

- Council's newly revised Sickness Absence Policy came into effect on 1<sup>st</sup> July 2020.
- To date 116 line managers and 264 employees have been trained on the new policy (total 380 employees).
- Face to Face training is required in some front line service areas, however in line with increasing cases of COVID 19, the training was postponed. In line with relaxing restrictions, ODHR will work with the relevant managers and supervisors to organise this training.
- Work is ongoing with stakeholders to identify and agree further measures to support employees such as access to private Health Care, access to specific treatments, health insurance etc.

- In light of COVID-19 Occupational Health appointments are mostly by telephone, however face to face appointments can be arranged if required.
- Councils' highest reason for sickness absence is the Sickness Category including conditions such as Stress, depression, mental health and fatigue syndrome. However, it is noted there is a reduction of 761.56 days from the 2019/20 figures (See Table 4 for further analysis).
- Employees who are absent due to a stress or a stress related absence are referred immediately to Occupational Health so that interventions can be put in place at an early stage. Employees are also reminded of the counselling services provided by Inspire. Additionally, Council continue to provide more in-depth Counselling services, as recommended by Occupational Health.

In Quarter 3, 6 employees availed of these services, 4 of which are new referrals.

- Regional health and well-being initiatives also included the 'One Billion Steps' Challenge, with individual staff members and teams participating.
- ODHR have now implemented the **Staywell** Well Hub which is a regional Local Government initiative to support wellbeing and has supported by a training programme for employees.
- ODHR work closely with the PR department providing wellbeing content for the weekly Staff News, covering a variety of topics in relation to general health and wellbeing including Mental Health.
- Council are mindful of the unique and difficult time we are working in and have been providing practical advice and solutions for staff who continue to work from home. Further details provided in Section 6.

### Outcomes

**Please Note: As 2020/21 has not been a usual year due to the COVID 19 Pandemic, the sickness figures from the previous year (2019/20 actuals) will be used as a baseline to report against)**

- A 2.75% reduction in the number of days lost to Council through long term sickness (*6,813.50 in Q3 2019/20, target 6,626.13 days in 2020/21, actual reduction 324.43 days*)
- A 2.5% reduction in the average number of days lost per employee through sickness absenteeism (*12.57 days per employee in Q3 2019/20, target 12.26 in 2020/21, actual 12.34 days per employee*)
- We will maintain the average time for an Occupational Health Review from 4 weeks to 2 weeks

### Quarter 3 Performance Against Targets



Table 1 Quarter 3 Performance Against Targets and in-Year Comparisons

	9 months ending 31/12/19	Reduction target against same period last year	9 months ending 31/12/21	On Target/ Not On Target
Average number of days lost per employee through sickness absenteeism	12.57	12.26 (2.5% target)	12.34 (1.85% reduction)	Below Target
Number of Days lost to Council through long term sickness	6,813.50	6,626.13 (2.75% target)	324.43 (14.71% reduction)	On Target
Average time for an Occupational Health Review (We will maintain the average time for an Occupational health Review from 4 weeks to 2)	4 weeks	2 weeks (from 4 weeks to 2 weeks)	2 weeks	On Target
Staff members engaging in Council's wellbeing activities			533*	

\*93 participants involved in the Councils Walking Challenges / a further 6 employees have joined the Councils Gyms / 434 staff completed Online Personal Well being courses

### Analysis of Quarter 2 Data

Table 2 – Analysis of Absenteeism Data

April – December	2021/22	2019/20	Reduction
No. of employees absent	192	286	94
Long Term as % of total absence <i>(absence greater than 20 days)</i>	90.8%	86.9%	-3.9%
Short Term as % of total absence <i>(absence less than 20 days)</i>	9.2%	13.1%	3.9
Average days lost per employee	12.34	12.57	0.23

(combined short and long term)			
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**Table 3 – Top 5 reasons for Absence\***

<b>April – December</b>	<b>2021/22</b>	<b>2019/20</b>	<b>Reduction</b>
Stress, depression, mental health and fatigue syndrome	37.25%	43.68%	6.43%
Musculo-skeletal problems (excluding back and neck)	17.69%	12.02%	-5.67%
Heart, blood pressure and circulation	7.99%	5.43%	-2.56%
Other	7.2%	18.91%	11.71%
Stomach, liver, kidney and digestion	6.92%	5.45%	-1.47%

\*Appendix 1 (circulated) provides further details

**Table 4 – Analysis of Stress and Stress Related Absences**

	<b>9 months ending 31/12/21</b>	<b>9 months ending 31/12/19</b>	<b>Difference</b>
Total days absent under the Sickness Category for Stress, depression, mental health and fatigue	2,662.91	3,424.47	Reduction of 761.56 days
Stress listed as sickness reason – Total Days absent	1,064.90	1546.25	Reduction of 481.35 days
Work related Stress listed as sickness reason – Total days absent	544.68	854.07	Reduction of 309.39 days

**Table 5 - Analysis of the Cost of Absence**

	<b>9 months ending 31/12/21</b>	<b>9 months ending 31/12/19</b>	<b>Difference</b>
Total Days Lost	7,147.85 days	7,839.18 days	Reduction of 691.33 days
Average hourly rate	£19.77	£19.81	

Total estimated costs*	£1,045,716.16	£1,149,176.75	Reduction of £103,460.59
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\*Estimated cost of sickness, not including Agency backfill, acting-up, overtime, retraining, lost productivity etc

### **Mental Health and Wellbeing Strategy and Action Plan**

The Council have been involved in the development of a Mental Health and Wellbeing Strategy and Action Plan. This Strategy has been developed to guide the work of the Local Government in the longer term, and to focus on the action plan for 2020 - 2023. The Vision for the Strategy is based on the acronym **ASK**:

#### **Accept**

One of the key messages to come out of the consultation was the need to accept that anyone at any level in Councils and the NIHE can have poor mental health, and to work towards a culture where mental health can be discussed openly. As organisations, we need to demonstrate a visible commitment to mental health in the workplace by providing an environment where individuals feel accepted and safe to speak openly about mental health including their personal experiences.

#### **Support**

The Group seeks to ensure that individuals in Councils and the NIHE feel supported in relation to their health and wellbeing and that, if they are experiencing poor mental health, they know how and where to access support.

#### **Knowledge**

Mental health is about wellness rather than illness and is not merely the absence of a mental health condition. Mental health exists on a continuum, or range: from positive, healthy functioning at one end through to severe symptoms of mental health conditions at the other. The Group seeks to support individuals at all levels in Councils and the NIHE to have access to the knowledge and tools to support anyone experiencing poor mental health and create healthy workplaces.

#### **Support provided to Staff during year – COVID arrangements**

- Flexible working arrangements available such as parental leave, special leave, annual leave, toil and flexi
- Encouraging staff to have breaks during the day and to take annual leave
- Importance of regular staff contact/communication using methods such as WhatsApp, MS Teams, Phone calls, Staff Newsletter
- Initiatives from Inspire
- Health and Well Being Groups Walking Challenge
- Regional Well Being initiatives such as 'One Billion Steps'

- Stress Control Classes through Health Trusts delivered by professionals offering suggestions/advice/support, and providing staff time to attend same
- Supervisors and Managers applying practical and sensible solutions, managing workloads and priorities, whilst delivering services, mindful of public and expectations
- The Agile Working Policy has been approved by Council and arrangements for implementation underway. A programme of training has been delivered to Managers and Supervisors, with 6 sessions delivered and 88 attendees. Further training on the Policy will be delivered to staff in the coming weeks.

This quarterly report will continue to be provided to Audit Committee, and the information will also be feed through Council's Performance Improvement Plan.

**Recommendation:**

It is recommended that Council notes the report presented.

Councillor McQuillan requested the OD/HR Policy when staff were unwell and perhaps felt under pressure.

The Director of Corporate Services referred to mechanisms in place to seek help and self referrals, and in the instance for example of employees having had surgery, it was impossible for staff to be in work, Council offered phased return, redeployment, and a suite of measures were in place and Policy consistently applied for all staff.

The Director of Corporate Services clarified that if an Elected Member had concern how staff were portrayed or being treated, to contact herself, Head of OD/HR or a Raising Concerns colleague and expressed alarm if staff did feel like that. She advised of fair and equal treatment amongst staff in a supportive way.

Regarding the 70%/30% breakdown referred to, the Director of Corporate Services referred to an Audit Office report that the age profile of Central and Local Government, was an ageing profile, and making a general statement that frontline staff may suffer muscle, joint musculoskeletal, increases in these types of absence. She stated that analytics and data would be further analysed to see what measures could be put in place.

**10. PRIOR YEAR RECOMMENDATIONS – ACTION PLAN 2021/22**

The Director of Corporate Services advised the report would be circulated to Audit Committee Members, provided a verbal update and shared the spreadsheet on screen and invited questions, concerns, comments.

The Director of Corporate Services stated a report would be available for the June meeting.

The Independent Member advised it was important Elected Members received the updated report with their Papers, and was disappointing to see recommendations from 2015/16 outstanding, that needed to be a priority for Audit Committee in terms of monitoring implementation.

## **11. REQUEST TO CHANGE DATE OF AUDIT COMMITTEE**

Report, previously circulated, presented by the Director of Corporate Services.

### **Introduction**

The purpose of this report is to seek approval

- to change the date of the September Audit Committee meeting from Wednesday 14 September 2022 to Wednesday 21st September 2022 and
- to convene a Special Council Meeting on Monday 26th September 2022 to approve the Year-End accounts.

This will allow NIAO time to finalise the 2021/22 audit and issue the Report to those charged with Governance.

### **Background**

Council previously agreed a Schedule of Meetings on 28th September 2021, with Quarterly Audit Committee Meetings on 2nd Wednesday as follows:-

9 March 2022, 8 June 2022, 14 September 2022 and 14 December 2022.

And Council meetings held on the first Tuesday of every month, so 6<sup>th</sup> September and 4<sup>th</sup> October.

The Year-End Accounts 31st March 2022, will be prepared and submitted to NIAO by 30<sup>th</sup> June 2022. NIAO plan to complete the Audit field work by end of August 2022, and will require time thereafter to finalise reports. The Accounts need to be presented to Audit Committee, require approval by Council, and returned to NIAO to allow time for the signed accounts to be certified by 30<sup>th</sup> September.

A NIAO pre-planning meeting was held on 26<sup>th</sup> January, where the timetable was discussed. The September Council meeting is due to be held on Tuesday 6<sup>th</sup> September, and the Audit Committee is scheduled for Wednesday 14<sup>th</sup> September. The Audit will not be complete prior to Tuesday 2<sup>nd</sup> September, and the papers will not be ready for Audit Committee on Wednesday 14<sup>th</sup> September.

### **Recommendation**

- that the date of the September Audit Committee meeting is permanently changed from Wednesday Week 2 to Wednesday Week 3 to facilitate Audit deadlines (Was 14 September to 22, move to 21 September 2022) and

- to convene a Special Council Meeting annually following the September Audit meeting. This date being Monday 26th September for approval of the 2021/2022 Year-End accounts to comply with the legislative timetable for producing, publishing and certifying the audited financial statements.

Proposed by Councillor McQuillan  
Seconded by Councillor Anderson and

**AGREED** – to recommend to Council that the date of the September Audit Committee meeting is permanently changed from Wednesday Week 2 to Wednesday Week 3 to facilitate Audit deadlines (Was 14 September to 22, move to 21 September 2022) and

- to convene a Special Council Meeting annually following the September Audit meeting. This date being Monday 26th September for approval of the 2021/2022 Year-End accounts to comply with the legislative timetable for producing, publishing and certifying the audited financial statements.

## **12. MATTERS FOR REPORTING TO PARTNERSHIP PANEL**

There were no matters for reporting to the Partnership Panel.

## **13. CORRESPONDENCE**

Correspondence, presented as read by The Director of Corporate Services.

### **13.1 NIAO Annual Audit Letter 2020/21**

Correspondence, previously circulated, presented as read.

### **13.2 NIAO Report - Planning in Northern Ireland**

Correspondence, previously circulated, presented as read.

### **13.3 NIAO Local Government Auditors Report**

Correspondence, previously circulated, presented as read.

## **MOTION TO PROCEED 'IN COMMITTEE'**

Proposed by Councillor Anderson  
Seconded by Councillor McQuillan and

**AGREED** - to recommend that Council move '*In Committee*'.

- \* **Press were disconnected from the meeting at 8.18pm.**

***The information contained in the following item is restricted in accordance with Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014.***

## 14. CORPORATE RISK MATRIX

Report, previously circulated, presented by the Director of Corporate Services for consideration and comment.

The Director of Corporate Services referred to the heat map, there was a high level summary with detail of the issues, risk description, mitigating actions, comments, residual risk and direction of travel including a review and update.

Councillor P McShane advised of reputational damage to the Council named external issues including the Extraordinary Audit which he observed had been highlighted in red. There would be damage to the reputation to Council which he stated had been done a long time ago. Councillor P McShane stated the proposed response a PR (Public relations) campaign, was shocking, with the last mentioned, adherence to policies to be improved, was ineptitude.

The Audit, Risk and Governance Manager took on board the changes to the Corporate Risk Matrix, and took full responsibility for placing the Risk on the Register. She referred Members to the NIAO Audit Strategy, that it would be naïve as an organisation not to mention risk factors identified by the Northern Ireland Audit Office Strategy Page 8 - Procurement, Leases and Financial resilience risk factors, 3 had been directly mentioned on the Risk Register.

The Audit, Risk and Governance Manager advised she would take on board for the June Audit Committee and determine if best placed or move as another risk under the Register.

## 15. LEGAL CASES ACTIVITY

Report, previously circulated, presented by the Director of Corporate Services as read.

### **Introduction**

The purpose of this report is to identify potential future liabilities and areas of concern, and provide Members with a Quarterly update on the Legal cases activity, which are being dealt with “in-house” including the number of active legal cases, split between Directorate, the number of new cases, and the number of closed cases.

### **Position as at February 2022**

The table below provides information on number of cases open and closed across the service areas during the period 1<sup>st</sup> June 2021 to 14<sup>th</sup> February 2022.

	29/11-13/02/21	14/09-29/11/21	1/6-13/09/21
<b>Number of cases open</b>	<b>13</b>	<b>12</b>	<b>16</b>
Environmental Services	4	/	1
Leisure & Development	6	3	2
Corporate Policy & Resources	2	8	10
Finance	/	/	/
Planning	1	1	2
Call-Ins	/	/	1
<b>Number of cases closed</b>	<b>5</b>	<b>1</b>	<b>TBC</b>
Environmental Services	/	/	/
Leisure & Development	4	1	/
Corporate Policy & Resources	1	/	1
Finance	1	/	/
Planning	1	/	/
Call-Ins	/	/	/

The above figures do not include First Registrations (Appendix 1 circulated) and Car Parks (Appendix 2 circulated), General advice sought from the Legal Services Team and Legal cases which are being dealt with by External providers.

#### **Recommendation**

It is recommended that Audit Committee note the Legal Cases Activity Report.

#### **16. WHISTLE BLOWING /FRAUD**

The Audit, Risk and Governance Manager advised a Fraud Course delivered by Moore NI had been rolled out to Senior Management Team and Heads of Service, a further course had been rolled out to staff and uptake had been good; including a Fraud awareness training webinar.

The Audit Risk and Governance Manager advised of a NIAO Fraud Risk Guide and this would be included on the Agenda for the June meeting.

#### **17. ANY OTHER RELEVANT BUSINESS (NOTIFIED IN ACCORDANCE WITH STANDING ORDER 12(O))**

Councillor Anderson requested an update on the Agency Staff procurement contract.

The Director of Corporate Services advised the Contract had been awarded to Staffline and agreed to circulate the information to Councillor Anderson.



**18. DATE OF NEXT MEETING – WEDNESDAY 8 JUNE 2022 AT 7PM**

Information circulated.

**MOTION TO PROCEED ‘IN PUBLIC’**

Proposed by Councillor McQuillan  
Seconded by Councillor Watton and

**AGREED** – that Audit Committee move ‘*In Public*’.

This being all the business, The Chair advised this was his last meeting as Chair, he thanked staff and Audit Committee for their work during the year.

The meeting concluded at 8.25pm

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**Chair**