

NEWRY MOURNE AND DOWN DISTRICT COUNCIL

Minutes of Audit Committee Meeting held on Tuesday 15 January 2019 at 2.00pm in the Mourne Room, Downshire Estate, Downpatrick

Chairperson: Mr J Campbell, Independent Chairperson

In Attendance: **(Committee Members)**
Councillor C Casey
Councillor R Mulgrew
Councillor M Murnin
Councillor M Ruane

Officials in Attendance: Mr L Hannaway, Chief Executive
Ms D Carville, Director Corporate Services
Mr K Montgomery, Assistant Director, Corporate Services (Finance)
Mr G Byrne, Audit Services Manager
Mr Jonathan McGilly, Assistant Director, Community Planning & Performance (Acting)
Ms Linda O'Hare, Democratic Services Officer
Miss S Taggart, Democratic Services Officer

Also in Attendance: Ms C Hagan, ASM (Internal Auditors)
Ms C Kane, Northern Ireland Audit Office

AC/01/2019: APOLOGIES AND CHAIRPERSON'S REMARKS

Apologies were received from Councillors Byrne, Clarke, Devlin, Sharvin and Tinnelly

The Chairperson advised that this would be Colette Kane last meeting and that Tomas Wilkinson will be taking over responsibility for the Council's Audit. He thanked Colette for her support and wished her all the best for the future. Liam Hannaway also acknowledged and appreciated a very productive working relationship with Colette Kane and wished her well in her new role.

AC/02/2019: DECLARATIONS OF INTEREST

Mr Campbell declared interest in the following item:

Item 5 – Annual Review of Chairperson's Performance.

AC/03/2019: ACTION SHEET ARISING FROM AUDIT COMMITTEE MEETING HELD ON THURSDAY 20 SEPTEMBER 2018

Read: Action Sheet arising out of Minutes of Audit Committee Meeting held on 20 September 2019. (Copy circulated)

Agreed: On the proposal of Councillor Mulgrew, seconded by Councillor Murnin, it was agreed to note the action sheet and remove those actions marked for removal.

CHAIRPERSON OF AUDIT COMMITTEE

AC/04/2019: AUDIT COMMITTEE SELF-ASSESSMENT

Read: Report from Mr J Campbell, Independent Chair of Audit Committee, dated 15 January 2019, regarding Audit Self-Assessment 2018/19 (copy circulated).

Mr Campbell advised Members there was a revised copy of page 3 of the self-assessment checklist contained in the appendix due to a technical problem with the software when uploading.

Mr Campbell took Members through the actions and recommendations and asked that reports be tabled at future meetings. He encouraged officers to ensure that all papers be provided on time to Democratic Services to give members sufficient time to read papers.

Mr Campbell thanked the Council officers for their support and assistance over the past year.

Agreed: It was agreed on the proposal of Councillor Ruane, seconded by Councillor Murnin, to approve the Audit Committee Self-Assessment 2018/19.

AC/05/2019 ANNUAL REVIEW OF CHAIRPERSON'S PERFORMANCE

Read: Report from Mrs D Carville, Director of Corporate Services, dated 15 January 2019, regarding the Assessment of the Chairperson's Performance (copy circulated)

Agreed: It was unanimously agreed to note the Assessment of the Chairperson's Performance.

CORPORATE SERVICES

AC/06/2019

CORPORATE RISK REGISTER

Read: Report from Mrs D Carville, Director of Corporate Services, dated 15 January 2019, regarding Corporate Risk Register (copy circulated).

Mrs Carville advised a number of key changes were made following the review of the Corporate Risk Register, including:

1. CR01 – Failure to develop and improve our tourism offering. This risk has been de-escalated to the ERT Directorate Risk Register. SMT felt that Council is delivering on its tourism objectives, and tourism revenue has increased to £90m per year from £45m per year in 2015.
2. CR07 – Failure to have the necessary staffing structures and resourcing to deliver efficient and effective services. This risk has been deescalated to the Corporate Service Directorate Risk Register. SMT are content that they have sufficient staffing in place and services are being delivered.
3. CR11 – Failure to implement an economic development programme to regenerate the district and attract inward investment due to financial uncertainties around Brexit and the chances of a no deal Brexit, the score had to be increased. A Brexit risk register is being presented to the January SP&R committee to detail the risks the Council face. This is in line with work from the Brexit Task and Finish Working Group. See appendix 3 and 4 for further information.
4. Numerous other minor changes were made including new actions, updating the progress of actions and new detail included within certain risks. These can be evidenced on the Corporate Risk Register attached.

In response to Councillor Casey and Councillor Murnin's questions, Ms Carville confirmed that Committee would be kept up to date and even though some of the risks have been de-escalated they would remain to be closely monitored.

AGREED: It was unanimously agreed to note the Corporate Risk Register report.

AC/07/2019

FRAUD AND WHISTLEBLOWING UPDATE

Read: Report from Mr G Byrne, Audit Services Manager, dated 15 January 2019, regarding Fraud and Whistleblowing (copy circulated).

AGREED: It was unanimously agreed to note the Fraud and Whistleblowing report.

AC/08/2019 **DIRECT AWARDS CONTRACT (DAC) REGISTER**

Read: Report from Mr G Byrne, Audit Services Manager, dated 15 January 2019, regarding Direct Award Contract (DAC) Register (copy circulated).

In response to a query, Mrs Carville advised that items 12 and 13 were in the process of going out to tender with regard to the future of CCTV.

AGREED: **It was unanimously agreed to note the Direct Award Contract Register report.**

AC/09/2019 **PROCUREMENT UPDATE**

Read: Report from Mr G Byrne, Audit Services Manager, dated 15 January 2019, regarding Update on Procurement (copy circulated).

In response to a query, Mrs Carville advised that Council had invested a lot of time and energy in procurement training and would hope to hold same on an annual basis.

AGREED: **It was unanimously agreed to note the update on Procurement.**

AC/10/2019 **UPDATE ON AUDIT RECOMMENDATIONS**

Read: Report from Mr G Byrne, Audit Services Manager, dated 15 January 2019, regarding update on Audit Recommendations (copy circulated).

Mr Campbell said he welcomed the progress made from 2015/2016, however there was still work to be completed on the 2016/17 recommendations. He asked for clarity as to what 'priority no longer accepted' meant.

Mr Byrne advised it meant that a service had changed or was no longer relevant to be completed.

AGREED: **It was unanimously agreed to note the update on Audit Recommendations.**

AC/11/2019 **PROMPT PAYMENT STATISTICS**

Read: Report from Mr K Montgomery, Assistant Director of Finance, dated 15 January 2019, regarding Prompt Payment Statistics (copy circulated).

Mr Montgomery confirmed there had been improvements on prompt payments during the last quarter due to an increase in payment runs each month.

Councillor Murnin welcomed the increase in the amount of invoices that were paid but expressed concerns at those payments over the 30 day payment period which need to improve especially for small businesses.

AGREED: It was unanimously agreed to note the update on Prompt Payment Statistics.

PERFORMANCE

Items 12,13 and 14 were discussed together

AC/12/2019 **DRAFT PERFORMANCE IMPROVEMENT OBJECTIVES 2019-20**

Read: Report from Mr J McGilly, Assistant Director of Community Planning and Performance, dated 15 January 2019, regarding Draft Performance Improvement Objectives (copy circulated).

AGREED: It was unanimously agreed to note the update on Draft Improvement Objectives 2019-20.

AC/13/2019 **PERFORMANCE IMPROVEMENT POLICY**

Read: Report from Mr J McGilly, Assistant Director of Community Planning and Performance, dated 15 January 2019, regarding Performance Improvement Policy (copy circulated).

AC/14/2019 **MID YEAR PROGRESS REPORT OF THE PERFORMANCE IMPROVEMENT PLAN 2018-19**

Read: Report from Mr J McGilly, Assistant Director of Community Planning and Performance, dated 15 January 2019, regarding Mid Year Progress Report Of The Performance Improvement Plan 2018-19 (copy circulated).

Mr McGilly confirmed both item 12 and 13 reports had been approved through SP&R. Item 14 had a number of recommendations highlighted which will be worked forward and hopefully meeting objectives at end of year.

AGREED: It was unanimously agreed to note the updates on Performance Improvement Policy and Mid-Year Progress Report of the Performance Improvement Plan 2018-19.

NIAO (CLOSED SESSION)

ITEMS RESTRICTED IN ACCORDANCE WITH PART 1 OF SCHEDULE 6 OF THE LOCAL GOVERNMENT ACT (NI) 2014

Agreed: On the proposal of Councillor Mulgrew, seconded by Councillor Murnin, it was agreed to exclude the public and press from the meeting during discussion on this matter which related to exempt information by virtue of Part 3 of Schedule 6 of the Local Government Act (Northern Ireland) 2014 – Information relating to the financial or business affairs of a particular person (including the Council holding that information) and the public may, by resolution, be excluded during these items of business.

Agreed: On the proposal of Councillor Ruane, seconded by Councillor Mulgrew, it was agreed the Committee come out of closed session and the following actions were agreed:

AC/15/2019 **NIAO REPORT TO THOSE CHARGED WITH GOVERNANCE 2017-18**

Read: Correspondence received from Northern Ireland Audit Office (NIAO) dated 21 December 2018, regarding Report to those Charged with Governance (copy circulated)

Noted: **It was agreed to note the contents of the NIAO Report to those Charged with Governance 2017-18.**

AC/16/2019 **NIAO - Annual Audit Letter**

Read: Correspondence received from Northern Ireland Audit Office (NIAO) dated 10 January 2019, regarding Annual Audit Letter (copy circulated)

Noted: **It was agreed to note the Annual Audit Letter, Newry Mourne and Down District Council 2017-18.**

AC/17/2019 **NIAO IMPROVEMENT AUDIT AND ASSESSMENT – AUDIT AND ASSESSMENT REPORT AND ACTION PLAN**

Read: Report from Mr J McGilly, Assistant Director of Community Planning and Performance, dated 15 January 2019, regarding NIAO Improvement Audit and Assessment - Audit and Assessment Report and Action Plan (copy circulated).

Noted: It was agreed to note the contents of the NIAO Improvement Audit and Assessment – Audit and Assessment Report and Action Plan.

INTERNAL AUDIT

AC/18/2019 ASM SUMMARY PROGRESS REPORT

Read: ASM Summary Progress Report, dated 15 January 2019 (copy circulated)

Noted: It was agreed to note the contents of the ASM Summary Progress Report together with the final Audit Reports and follow up reviews contained within.

AC/19/2019 INVESTIGATION IN THE COUNCILS PROCUREMENT AND ERECTION OF THE ‘BIG SCREEN’ IN NEWRY

This item was withdrawn from the agenda on the advice of the officers.

AC/20/2019 CORPORATE RISK REGISTER – APPENDICES 3 AND 4

Read: Report from Mrs D Carville, Director of Corporate Services, dated 17 January 2019, regarding Corporate Risk Register – Appendices 3 and 4 (copy circulated).

Agreed: It was agreed to note Appendices relating to the Corporate Risk Register – Brexit preparedness and Brexit risk register.

CIRCULARS

AC/21/2019 DAO (DoF 04/18 (19/11/2019) – FRAUD PROOFING GUIDANCE

Read: Letter and Report dated 19 November 2018 in relation to Fraud Proofing (copy circulated)

Noted: It was agreed to note the contents of letter and report in relation to Fraud Proofing.

There being no further business, the meeting concluded at 3.57pm

Signed: **Ms D Carville**
 Director of Corporate Services

Signed: **Mr J Campbell**
 Independent Chairperson