

NEWRY MOURNE AND DOWN DISTRICT COUNCIL

Minutes of the Audit Committee Meeting held on Thursday 25 June 2015 at 2.00pm in the Mourne Room Downshire Civic Centre Downpatrick.

Chairperson: Councillor C Enright

In Attendance: **(Committee Members)**
Councillor P Brown
Councillor C Casey
Councillor T Hearty
Councillor D Hyland
Councillor M Murnin
Councillor J Tinnelly

Officials in Attendance:

Mr L Hannaway	Chief Executive
Mr E Curtis	Director Strategic Planning & Performance
Ms M Ward	Director Enterprise Regeneration & Tourism
Mr C O Rourke	Director Regulatory & Technical Services
Mr M Lipsett	Director Active & Healthy Communities
Mr R Dowey	Head of Finance
Mr J Finnegan	Risk & Investigations Officer
Mr K Montgomery	Finance Manager
Ms B Phillips	Finance Manager
Mr G McGivern	Officer
Ms E McParland	Democratic Services Manager
Ms L Dillon	Democratic Services Officer

Also in Attendance:

Mr F Kearney	Fitzpatrick & Kearney
Ms S Nesbitt	Programme Assistant Peace III
Ms P Poots	Capita (Internal Auditors)

AC/01/2015:- ELECTION OF TEMPORARY CHAIRPERSON - AUDIT COMMITTEE

Noted: The Committee was required to appoint a temporary Chairperson as an independent Chairperson had not yet been appointed.

The following names came forward for consideration for appointment of temporary Chairperson of the Audit Committee:

Councillor T Hearty – proposed by Councillor Casey seconded by Councillor Murnin
Councillor C Enright- proposed by Councillor Hyland seconded by Councillor Tinnelly

The nominations were put to a vote by way of a show of hands and voting was as follows:

To appoint Councillor T Hearty as temporary Chairperson of the Audit Committee:
3 votes.

To appoint Councillor C Enright as temporary Chairperson of the Audit Committee:
4 votes.

Agreed: It was therefore agreed to appoint Councillor C Enright as temporary Chairperson of the Audit Committee to chair the meeting.

AC/02/2015:- APOLOGIES AND CHAIRPERSON'S REMARKS

The Chairperson welcomed Members to the inaugural meeting of the Audit Committee

Noted: The following apologies were received:
Councillor C McGrath
Councillor G Sharvin
Mr A Davidson Capita

AC/03/2015:- DECLARATIONS OF INTEREST

Noted: No declarations of interest were received.

AC/04/2015:- ACCOUNTS – PEACE III - YEAR END 31 MARCH 2015

Agreed: On the proposal of Councillor Hearty seconded by Councillor Hyland 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 Paragraph 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014 – information relating to the financial or business affairs of any particular person (including the Council holding that information).

Agreed: On the proposal of Councillor Hearty seconded by Councillor Hyland it was agreed the Committee come out of closed session.

Agreed: When the Committee came out of closed session, the Chairman reported that on the proposal of Councillor Casey seconded by Councillor Hyland it was agreed to approve Accounts for Peace III year ending 31 March 2015 and same to be formally signed by the Chief Executive and Chairperson of the Audit Committee.

**AC/05/2015:- APPOINTMENT OF INDEPENDENT CHAIRPERSON
- AUDIT COMMITTEE**

Noted: In response to a query from Councillor Hyland regarding when the Council would appoint an independent Chairperson for the Audit Committee, Mr Dowey explained that following re-advertisement of the position, interviews were scheduled to be held on 9 July 2015.

**AC/06/2015:- TERMS OF REFERENCE
- AUDIT COMMITTEE**

Read: Terms of Reference for Audit Committee. (Copy circulated)

Councillor Enright highlighted a number of issues which he said were differences in how the Audit Committees were operated in the two legacy Councils. He said that in the legacy Down District Council, Management only attended meetings of the Audit Committee when discussion related to their specific department.

Councillor Enright said he believed management should not have any involvement in the interview process for the appointment of the independent Chairperson as this should be the responsibility of the Members of the Audit Committee.

Mr Curtis advised Members that this was a decision for the Council and could not be amended.

A lengthy discussion ensued in relation to the role of the Audit Committee.

Mr Dowey explained the primary role of this particular Audit Committee meeting was to approve and sign off year end accounts and that all Directors were requested to attend the meeting in order that any matters arising in relation to the year end accounts of the legacy Councils could be addressed. He added that when an independent Chairperson was appointed for the Audit Committee, a pre-meeting would be held with Audit Committee Members and the Chairperson in advance of each Audit Committee meeting.

Considerable discussion then followed during which Ms Pauline Poots Capita Consulting made reference to the Treasury Audit Handbook in response to questions concerning best practice. She explained that the distinction between Members and Officers was important and should be reflected in the Terms of Reference. She said Officers should be invited to attend Audit Committee Meetings where appropriate. She added the Audit Committee had the right to hold closed sessions – a formal closed session should be held at least once per year. However she said who attended the Audit Committee, was for the Audit Committee to agree.

Ms Poots went on to explain the role of the Audit Committee which was to appoint internal and external auditors and agree strategies and work plans.

Agreed: On the proposal of Councillor Enright seconded by Councillor Hearty it was agreed a draft addendum to the Audit Committee Terms of Reference be prepared by Mr R Dowey Head of Finance to reflect best practice procedures.

Ms Poots made reference to the Public Appointments Guidance.

Agreed: Ms Pauline Poots Capita Consulting to forward a copy of the following guidance documents to the Council for information:
- DFP (NI) Audit and Risk Assurance Committee Handbook (based on HM Treasury Handbook)
- RoI Local Government (Audit Committee) Regulations

**AC/07/2015:- MINUTES OF DOWN DISTRICT COUNCIL
AUDIT COMMITTEE MEETING
- WEDNESDAY 11 MARCH 2015**

Read: Minutes of Down District Council Audit Committee Meeting held on Wednesday 11 March 2015. (Copy circulated)

Agreed: On the proposal of Councillor Hyland seconded by Councillor Tinnelly it was agreed to note the Minutes of Down District Council Audit Committee Meeting held on Wednesday 11 March 2015.

**AC/08/2015:- MINUTES OF NEWRY & MOURNE DISTRICT COUNCIL
AUDIT COMMITTEE MEETING
- MONDAY 16 MARCH 2015**

Read: Minutes of Down District Council Audit Committee Meeting held on Monday 16 March 2015. (Copy circulated)

Agreed: On the proposal of Councillor Hyland seconded by Councillor Tinnelly it was agreed to note the Minutes of Newry & Mourne District Council Audit Committee Meeting held on Monday 16 March 2015.

Mr L Hannaway Chief Executive, joined the meeting at this point.

**AC/09/2015:- INTERNAL AUDIT
- ANNUAL ASSURANCE REPORT 2014-15
- NEWRY AND MOURNE DISTRICT COUNCIL**

Agreed: On the proposal of Councillor Hyland seconded by Councillor Hearty 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 Paragraph 3 of Part 1 of

Schedule 6 of the Local Government Act (Northern Ireland) 2014 – information relating to the financial or business affairs of any particular person (including the Council holding that information).

Agreed: On the proposal of Councillor Hyland seconded by Councillor Hearty it was agreed the Committee come out of closed session.

Agreed: When the Committee came out of closed session, the Chairman reported it was unanimously agreed to note the Internal Audit Annual Assurance Report 2014-15 for Newry & Mourne District Council and it was further agreed to include a progress report on addressing ongoing ICT issues within the Newry Mourne and Down District Council, for consideration at the next meeting of the Audit Committee to be held on Thursday 29 October 2015.

**AC/10/2015:- RISK MANAGEMENT REPORT
YEAR ENDED 31 MARCH 2015
- NEWRY & MOURNE DISTRICT COUNCIL**

Agreed: On the proposal of Councillor Hyland seconded by Councillor Hearty 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 Paragraph 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014 – information relating to the financial or business affairs of any particular person (including the Council holding that information).

Agreed: On the proposal of Councillor Hyland seconded by Councillor Hearty it was agreed the Committee come out of closed session.

Agreed: When the Committee came out of closed session, the Chairman reported it was unanimously agreed to note the Risk Management Report year ended 31 March 2015 for Newry & Mourne District Council and also to note that a comparison exercise will be carried out to compare Risk Management Reports for Down District Council and Newry & Mourne District Council for tabling at a future meeting of the Audit Committee.

It was pointed out to Members that this action could not be progressed until an appointment had been made to the post of Audit Services Manager.

Consideration of Annual Accounts year ended 31 March 2015

**AC/11/2015:- ANNUAL GOVERNANCE STATEMENT 2014/15
- DOWN DISTRICT COUNCIL**

Agreed: On the proposal of Councillor Hyland seconded by Councillor Hearty 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 Paragraph 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014 – information relating to the financial or business affairs of any particular person (including the Council holding that information).

Agreed: On the proposal of Councillor Hyland seconded by Councillor Hearty it was agreed the Committee come out of closed session.

Agreed: When the Committee came out of closed session, the Chairman reported it was agreed on the proposal of Councillor Enright seconded by Councillor Hyland to note the Annual Governance Statement 2014/15 for Down District Council and also that a report be submitted back to the next meeting of the Audit Committee Meeting to be held on Thursday 29 October 2015 regarding grant income for the delivery of the Green Tourism Programme.

**AC/12/2015:- ANNUAL GOVERNANCE STATEMENT 2014/15
- NEWRY & MOURNE DISTRICT COUNCIL**

Agreed: On the proposal of Councillor Hyland seconded by Councillor Hearty 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 Paragraph 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014 – information relating to the financial or business affairs of any particular person (including the Council holding that information).

Agreed: On the proposal of Councillor Hyland seconded by Councillor Hearty it was agreed the Committee come out of closed session.

Agreed: When the Committee came out of closed session, the Chairman reported it was agreed on the proposal of Councillor Enright seconded by Councillor Hearty that a paper be prepared on bringing together an Annual Governance Statement for the new Council.

**AC/13/2015:- YEAR END ACCOUNTS 31 MARCH 2015
- DOWN DISTRICT COUNCIL**

Agreed: On the proposal of Councillor Hyland seconded by Councillor Hearty 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 Paragraph 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014 – information relating to the financial or business affairs of any particular person (including the Council holding that information).

Agreed: On the proposal of Councillor Hyland seconded by Councillor Hearty it was agreed the Committee come out of closed session.

Agreed: When the Committee came out of closed session, the Chairman reported it was agreed on the proposal of Councillor Hearty seconded by Councillor Morning to approve Accounts for Down District Council year ending 31 March 2015 and same to be formally signed by the Chief Executive and Chairperson of the Audit Committee.

**AC/14/2015:- YEAR END ACCOUNTS 31 MARCH 2015
- NEWRY & MOURNE DISTRICT COUNCIL**

Agreed: On the proposal of Councillor Hyland seconded by Councillor Hearty 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 Paragraph 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014 – information relating to the financial or business affairs of any particular person (including the Council holding that information).

Agreed: On the proposal of Councillor Hyland seconded by Councillor Hearty it was agreed the Committee come out of closed session.

Agreed: When the Committee came out of closed session, the Chairman reported it was agreed on the proposal of Councillor Hearty seconded by Councillor Hyland to approve Accounts for Newry & Mourne District Council year ending 31 March 2015 and same to be formally signed by the Chief Executive and Chairperson of the Audit Committee.

**AC/15/2015:- ACCOUNTS – STATUTORY TRANSITION COMMITTEE
- FOR PERIOD 1 APRIL 2014 TO 18 JUNE 2015**

- Agreed:** On the proposal of Councillor Hearty seconded by Councillor Hyland 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 Paragraph 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014 – information relating to the financial or business affairs of any particular person (including the Council holding that information).
- Agreed:** On the proposal of Councillor Hearty seconded by Councillor Hyland it was agreed the Committee come out of closed session.
- Agreed:** When the Committee came out of closed session, the Chairman reported that on the proposal of Councillor Hearty seconded by Councillor Morning it was agreed to approve Accounts for the Statutory Transition Committee for period from 1 April 2014 to 18 June 2015 and same to be formally signed by the Chief Executive and Chairperson of the Audit Committee.

**AC/16/2015:- ACCOUNTS – SHADOW COUNCIL
- FOR PERIOD 19 JUNE 2014 TO 31 MARCH 2015**

- Agreed:** On the proposal of Councillor Hearty seconded by Councillor Hyland 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 Paragraph 3 of Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014 – information relating to the financial or business affairs of any particular person (including the Council holding that information).
- Agreed:** On the proposal of Councillor Hearty seconded by Councillor Hyland it was agreed the Committee come out of closed session.
- Agreed:** When the Committee came out of closed session, the Chairman reported that on the proposal of Councillor Hearty seconded by Councillor Murnin it was agreed to approve Accounts for the Shadow Council for period from 19 June 2014 to 31 March 2015 and same to be formally signed by the Chief Executive and Chairperson of the Audit Committee.

Internal Audit – ASM Limited

**AC/17/2015:- DRAFT INTERNAL AUDIT STRATEGY – 2015-2019
NEWRY MOURNE & DOWN DISTRICT COUNCIL**

Read: Draft Internal Audit Strategy 2015-2019 from ASM Limited, Internal Auditors. (Copy circulated)

Noted: Representatives from the Council's appointed internal auditors, ASM Limited, would be in attendance at the next meeting of the Audit Committee in October 2015 and a closed session would be held between Councillors on the Audit Committee and the internal auditors prior to the commencement of the Audit Committee Meeting.

Agreed: **It was unanimously agreed to note the Draft Internal Audit Strategy 2015 – 2019.**

Agreed: **On the proposal of Councillor Enright seconded by Councillor Hearty it was agreed that a closed session meeting be arranged between the Members of the Audit Committee and internal auditors, ASM Limited, in advance of the Audit Committee Meeting in October 2015.**

AC/18/2015:- CLASH OF MEETINGS

Noted: **Mr Hannaway explained that dates for all Committee meetings of Council were fixed dates agreed formally by Council and that any other adhoc/external meetings must be arranged around these dates.**

There being no further business the meeting concluded at 4.10pm.

For consideration/noting at the Council Meeting to be held on Monday 6 July 2015.

Signed: **R Dowey**
Head of Finance