

NEWRY MOURNE AND DOWN DISTRICT COUNCIL

**Minutes of Audit Committee Meeting held on Thursday 29 June 2017 at 2.00pm
in the Mourne Room, Downshire Estate, Downpatrick**

Chairperson: Mr J Campbell, Independent Chairperson

In Attendance: **(Committee Members)**

Councillor P Brown
Councillor C Casey
Councillor G Hanna
Councillor T Hearty
Councillor M Murnin
Councillor M Ruane
Councillor G Sharvin
Councillor J Trainor

Officials in Attendance: Mr L Hannaway, Chief Executive
Mr K Montgomery, Assistant Director, Corporate Services
(Finance)
Mr G Byrne, Audit Services Manager
Mrs K Bingham, Head of Service, Transformation, Innovation
& Performance
Joe Parkes, Assistant Director Waste Management
Ms L Dillon, Democratic Services Officer

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

AC/027/2017: APOLOGIES AND CHAIRPERSON'S REMARKS

The following apologies were received:

Councillor L Devlin
Ms D Carville Director of Corporate Services

AC/028/2017: DECLARATIONS OF INTEREST

No declarations of interest were received.

AC/029/2017: START TIME
- AUDIT COMMITTEE MEETINGS (2017 – 2018)

AGREED: On the proposal of Councillor Ruane seconded by Councillor Hearty it was agreed to continue with a 2pm commencement time for the Audit Committee Meeting for the 2017 – 2018 term.

AC/030/2017: ACTION SHEET
MINUTES AUDIT COMMITTEE MEETING
THURSDAY 27 APRIL 2017

Read: Action Sheet arising out of Audit Committee Meeting held on Thursday 27 April 2017. **(Copy circulated)**

The following issues were raised arising out of the Audit Committee Action Sheet – Thursday 27 April 2017:

Legacy Council – Recommendations from Internal Audit

Noted: Internal Audit recommendations for the Legacy Councils will continue to be monitored by the Audit Services Manager while Internal Audit will concentrate on those recommendations that relate to the new Council.
(Remove from Action Sheet)

Internal Audit – Follow up Review

Noted: Internal Audit Follow up Review will be addressed at the meeting as part of Agenda Item 11.

Internal Audit re Big Screen Review

Noted: Internal Audit review regarding the Big Screen will be included in Agenda Item 19 as part of Internal Audit Progress Report.

(Draft) Internal Audit Plan 2017/2018

Noted: The Draft Internal Audit Plan 2017/18 will be tabled as part of Agenda Item 20, under the Revised Internal Audit Plan 2017-2018.

AGREED: It was unanimously agreed to note the Action Sheet arising from the Minutes of the Audit Committee Meeting held on Thursday 27 April 2017.

AC/031/2017: UPDATE
RE: FLEET MANAGEMENT

The Chairperson referred to the Report from Internal Audit regarding Fleet Management in which Fleet Management had been given a Limited Assurance rating. This report had been presented to the Audit Committee Meeting in April 2017.

Mr J Parkes Assistant Director (Waste Management) gave a verbal update to the Audit Committee regarding the issues of concern within Fleet Management and the measures which have since been implemented to address the concerns highlight by Internal Audit.

Noted: The Audit Committee were assured that all Internal Audit recommendations for Fleet Management were being implemented to the timetable agreed in the Internal Audit report presented to the Audit Committee Meeting in April 2017.

CORPORATE (OPEN SESSION)

AC/032/2017: DRAFT STATEMENT OF ACCOUNTS 2016/2017

Read: Draft statement of Accounts 2016/2017.
(Copy circulated at meeting)

The Chairperson advised that it was the role of the Audit Committee to note the Draft Statement of Accounts and Governance Statement which would then be forwarded to the Northern Ireland Audit Office for audit.

Noted: The Northern Ireland Audit Office will report back to the Audit Committee in September 2017 on NMDDC Draft Statement of Accounts following completion of their audit.

Mr K Montgomery Assistant Director Corporate Services presented the Draft Statement of Accounts 2016 – 17. He said some of the notes were not yet included as they were currently being drafted. He explained the reasons for changes in comparative figures.

The Chairperson commended all involved for their hard work in compiling the Draft Statement of Accounts for 2016-17.

AGREED: **It was agreed to note the NMDDC Draft Statement of Accounts 2016/2017 and Draft Governance Statement.**

AC/033/2017: CORPORATE RISK REGISTER

Read: Report dated 29 June 2017 by Mr G Byrne, Audit Services Manager regarding the Corporate Risk Register. **(Copy circulated)**

AGREED: **It was agreed as follows:**

Mr G Byrne Audit Services Manager arrange to meet with newly appointed Member of the Audit Committee, Councillor G Hanna, to discuss the operation of the Audit Committee.

Mr G Byrne Audit Services Manager to amend the Corporate Risk Register to reflect the position regarding the newly appointed Interim Director of Regulatory & Technical Services.

To note the Corporate Risk Register as per Report dated 29 June 2017 from Mr G Byrne Audit Services Manager.

AC/034/2017: PROMPT PAYMENTS

Read: Report dated 29 June 2017 from Mr G Byrne Audit Services Manager regarding Prompt Payments. **(Copy circulated)**

AGREED: It was agreed to note that a report on Prompt Payments for the quarter ending 30 June 2017 will be reported to the Audit Committee Meeting in September 2017.

AC/035/2017: PERFORMANCE IMPROVEMENT PLAN 2017-18

Read: Report dated 29 June 2017 from Mr G Byrne Audit Services Manager, regarding Performance Improvement Plan 2017-18. **(Copy circulated)**

Ms K Bingham presented the Performance Improvement Plan 2017-18.

AGREED: It was agreed to note the Performance Improvement Plan 2017-18.

AC/036/2017: FRAUD AND WHISTLEBLOWING POLICY

Read: Report dated 29 June 2017 from Mr G Byrne Audit Services Manager regarding the Fraud and Whistleblowing Policy. **(Copy circulated)**

AGREED: It was agreed to note Report dated 29 June 2017 from Mr G Byrne Audit Services Manager regarding the Fraud and Whistleblowing Policy.

AC/037/2017: DIRECT AWARD CONTRACT REGISTER

Read: Report from Mr K Montgomery, Assistant Director of Finance regarding Direct Award Contract Register. **(Copy circulated)**

AGREED: It was agreed as follows:

To note Report from Mr K Montgomery Assistant Director Corporate Services regarding Direct Award Contract Register.

Relevant Official to check if any direct awards were grant related and if so, to confirm that Funders are satisfied with Direct Award Contract and to reflect so on Direct Award Contract Register.

Relevant Official to establish if Council have support contracts in place with suppliers for maintenance of equipment following purchase, where appropriate.

AC/038/2017: **UPDATE**
RE: IMPLEMENTATION OF INTERNAL AUDIT
RECOMMENDATIONS 2015-2016

Read: Report dated 29 June 2017 from Mr G Byrne, Audit Services Manager regarding update re Implementation of Internal Audit recommendations 2015-2016. **(Copy circulated)**

The Chairperson welcomed the progress made implementing Internal Audit recommendations from 2015-16, in particular in relation to Procurement.

AGREED: It was agreed to note Report dated 29 June 2017 from Mr G Byrne, Audit Services Manager regarding update re Implementation of Internal Audit recommendations 2015-2016.

It was also agreed that a Report on monitoring of the implementation of Internal Audit recommendations for Procurement, to remain as a standing item on the Audit Committee agenda.

CHAIRPERSON OF AUDIT COMMITTEE

AC/039/2017: **ANNUAL REPORT**
FROM CHAIRPERSON OF AUDIT COMMITTEE 2016-17

Read: Report dated 29 June 2017 from Mr J Campbell, Chairperson of Audit Committee. **(Copy circulated)**

AGREED: It was agreed to note the Annual Report 2016/17 from the Chairperson of the Audit Committee, Mr J Campbell.

It was also agreed the Annual Annual Report 2016/17 from the Chairperson of the Audit Committee, Mr J Campbell, to be

tabled at the Council Meeting for information.

AC/040/2017: AUDIT COMMITTEE TIMETABLE – PROGRAMME OF WORK

Read: Audit Committee Timetable. **(Copy circulated)**

AGREED: It was agreed to note the Audit Committee Timetable for information.

(3.10pm – Councillor P Brown joined the Meeting)

NIAO (OPEN SESSION)

AC/041/2017: NIAO – AUDIT STRATEGY

Read: Northern Ireland Audit Office Audit Strategy 2016-17.
(Copy circulated)

AGREED: It was agreed to note the addition of Risk Factor “Procurement and Contract Management, to the NIAO Audit Strategy 2016-17.

AC/042/2017: NIAO – AUDIT STRATEGY FOR THE PERFORMANCE IMPROVEMENT AND ASSESSMENT AUDIT

Read: Northern Ireland Audit Office Improvement Audit and Assessment 2017-18. **(Copy circulated)**

AGREED: It was agreed to note the NIAO Report Improvement Audits and Assessment of Councils in 2017-18 – an overview of the audit framework and approach, for information, and to note that an Audit Strategy, specifically for performance improvement for the Council, will be tabled at the next meeting of the Audit Committee.

CIRCULARS

**AC/043/2017: CIRCULAR LG 13/2017
DISTRICT COUNCIL (NORTHERN IRELAND)
RATE STATISTICS 2017/2018**

Read: Department for Communities District Council (NI) Rate Statistics 2017/2018. **(Copy circulated)**

AGREED: It was agreed to note correspondence from Department for Communities District Council (NI) Rate Statistics 2017/2018.

**AC/044/2017: CIRCULAR – 2016/2017
TIMETABLE FOR WHOLE GOVERNMENT ACCOUNTS
– ALL NI BODIES**

Read: Department of Finance 2016/17 Timetables for Whole of Government Accounts – all NI Bodies. **(Copy circulated)**

AGREED: It was agreed to note correspondence Department of Finance 2016/17 Timetables for Whole of Government Accounts – all NI Bodies.

**AC/045/2017: ADDENDUM TO CIRCULAR LG 10/17
ACCOUNTS DIRECTION TO DISTRICT COUNCILS**

Read: Department for Communities Addendum to Circular LG 10/17 Accounts Direction to District Councils. **(Copy circulated)**

AGREED: It was agreed to note correspondence from Department for Communities Addendum to Circular LG 10/17 Accounts Direction to District Councils.

AUDIT SERVICES SECTION – ASM (CLOSED SESSION)

The following items are deemed restricted in accordance with Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014

AGREED: On the proposal of Councillor Hearty seconded by Councillor Trainor it was agreed to exclude the public and press from the Meeting during discussion on the following matters 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).

AC/046/2017: AUDIT PROGRESS REPORT

Read: Audit Progress Report from Internal Audit.
(Copy circulated)

AC/047/2017: REVISED INTERNAL AUDIT PLAN 2017 – 2019

Read: Revised Internal Audit Plan 2017-2019.
(Copy circulated)

AGREED: On the proposal of Councillor Hearty seconded by Councillor

Sharvin it was agreed to come out of Closed Session.

When the Committee came out of Closed Session, the Chairperson reported the following:

Audit Progress Report

AGREED: It was agreed to note the Audit Progress Report from Internal Audit and that Internal Audit report back to Council as timely as possible regarding the Big Screen Review.

Revised Internal Audit Plan 2017-2019

AGREED: On the proposal of Councillor Murnin seconded by Councillor Ruane it was agreed to approve the revised Internal Audit Plan 2017-2019.

The Meeting concluded at 3.45pm.

For consideration at the Council Meeting to be held on Monday 7 August 2017.

Signed: Mr L Hannaway
Chief Executive

Signed: Mr J Campbell
Independent Chairperson

