

NEWRY MOURNE AND DOWN DISTRICT COUNCIL

Minutes of Audit Committee Meeting held on Thursday 22 April 2021 via Microsoft Teams.

Chairperson: Ms B Slevin Independent Chairperson

In attendance: **(Committee Members)**
Councillor P Byrne
Councillor C Casey
Councillor M Gibbons
Councillor O Hanlon
Councillor A Lewis
Councillor D Murphy
Councillor G Sharvin

Officials in attendance: Ms M Ward Chief Executive
Ms D Carville Director of Corporate Services
Mr J McBride Director Neighbourhood Services
Mr K Montgomery Assistant Director, Corporate Services (Finance)
Mr G Byrne Audit Services Manager
Mr G Ringland IT Manager
Ms S Taggart Democratic Services Manager
Ms L Dillon Democratic Services Officer

Also in attendance: Ms C Hagan ASM
Ms K Beattie NIAO
Ms D McKim NIAO

AC/021/2021: APOLOGIES AND CHAIRPERSON'S REMARKS

The following apology was received:

Councillor L Devlin
Councillor K Owen

AC/022/2021: DECLARATIONS OF INTEREST

Ms C Hagan ASM Internal Audit, declared an interest in Item 10.9 – Review of Internal Audit Contract.

Councillor P Byrne declared an interest in Item 7 – Annual Assessment of the Audit Committee Chairperson’s Performance, as he had been involved with this process.

Ms B Slevin declared an interest in Item 6 Audit Committee Self Assessment, and Item 7 – Annual Assessment of the Audit Committee Chairperson’s Performance, as she had prepared the Self-Assessment, and as Chairperson of the Audit Committee appraised in the Performance Review, and indicated she had been advised she could remain present in the meeting for both items as they were for noting.

**AC/023/2021: ACTION SHEETS ARISING FROM:
AUDIT COMMITTEE MEETING: 12 JANUARY 2021**

Read: Action Sheet arising from Minutes of the Audit Committee Meeting held on Tuesday 12 January 2021.
(Copy circulated)

AGREED: On the proposal of Councillor Casey seconded by Councillor Sharvin it was agreed to note the Action Sheets arising from the Audit Committee Meeting held on Tuesday 12 January 2021.

**AC/024/2020: DATE AND START TIME
AUDIT COMMITTEE MEETINGS 2021/22**

Read: List of proposed dates start times for Audit Committee Meetings for 2021/2022. **(Copy circulated)**

AGREED: It was agreed to note the Audit Committee dates and start time, as follows, in respect of Audit Committee Meetings from July 2021 to April 2022, which would be formally approved via the Council’s Annual Meeting to held on Tuesday 01 June 2021.

- Monday 05 July 2021 at 2.00pm
- Thursday 23 September 2021 at 2.00pm
- Tuesday 11 January 2022 at 2.00pm
- Friday 22 April 2022 at 2.00pm

**AC/025/2020: AUDIT COMMITTEE:
- TERMS OF REFERENCE
- TIMETABLE**

Read: Terms of Reference for Audit Committee.
(Approved by Council on 4 March 2019), and Audit Committee Timetable. **(Copy circulated)**

Read: Audit Committee Timetable 2021-22.
(Copy circulated)

Mr Byrne confirmed the Audit Committee Terms of Reference remained compliant with CIPFA's best practice.

With regard to the Audit Committee Timetable, Mr Byrne said that arising out of the Audit Committee Meeting held in January 2021, it had been agreed a six-monthly Report on Elected Members' Register of Interests be brought to the Audit Committee to ensure compliance, and he confirmed an item would be included on the agenda for Audit Committee Meeting in July 2021 and January 2022 regarding the Elected Members' Register of Interests.

AGREED: On the proposal of Councillor Murphy seconded by Councillor Sharvin it was agreed:

- 1. To approve the Terms of Reference for the Audit Committee, as approved by Council on 4 March 2019.**
- 2. To note the Audit Committee Timetable 2021-22, which will be revised to include reporting on Elected Members' Register of Interest.**

AC/026/2020: AUDIT COMMITTEE SELF ASSESSMENT 2020/2021

Read: Report dated 22 April 2021 from Ms B Slevin Independent Chairperson of Audit Committee, regarding the Audit Committee Self-Assessment 2020/2021.
(Copy circulated)

Ms Slevin explained a Self-Assessment Questionnaire was sent to the Audit Committee Members and confirmed based on this review, the Audit Committee was operating effectively and she extended her appreciation to Council Officers, Members, internal and external audit.

She referred to training on Risk Management and an update on the Orange Book and confirmed the Director of Corporate Services and the Audit Services Manager would be moving this forward in terms of the provision of this training.

AGREED: On the proposal of Councillor Casey seconded by Councillor Murphy it was agreed to note the Audit Committee Self-Assessment 2020/2021.

**AC/027/2020: ANNUAL ASSESSMENT
RE: CHAIRPERSONS PERFORMANCE
AUDIT COMMITTEE 2020/21**

Read: Report dated 22 April 2021 from Ms D Carville Director Corporate Services, regarding the annual assessment of the Chairpersons Performance in respect of the Audit Committee 2020/21. **(Copy circulated)**

Ms Carville explained an Annual Performance Review was undertaken by the Chief Executive as Accounting Officer for the Council with Councillor P Byrne being the nominated representative for Members sitting on the Audit Committee and the review was undertaken using the Best Practice Checklist from the National Audit Office.

She confirmed following the review it was agreed that the Chairperson has demonstrated performance in line with best practice and she extended thanks to the Chairperson for carrying out this role.

AGREED: It was agreed to note the Annual Assessment of the Chairperson's Performance in respect of the Audit Committee for 2020/21.

CORPORATE SERVICES (OPEN SESSION)

AC/028/2021: CORPORATE RISK REGISTER

Read: Report dated 22 April 2021 from Ms D Carville, Director of Corporate Services regarding the Corporate Risk Register. **(Copy circulated)**

Ms Carville said the Corporate Risk Register had been presented to the Senior Management Team Meeting on 01 April 2021 together with Quarterly Director assurance statements.

Ms D Carville, presented the Corporate Risk Register making reference to the following proposed changes:

CR10 - can be incorporated into CR3.

CR11 - retaining the risk but removing the reference to Covid 19.

CR14 - a newly expanded risk due to its significance for the organisation.

She said a report on Risk Management will be presented to the Committee later in the meeting by ASM Internal Audit.

AGREED: On the proposal of Councillor Murphy seconded by Councillor Casey it was agreed to note the Corporate Risk Register summary as per Appendix 2 and the Corporate Risk Register as per Appendix 3 with the agreed changes, as contained in Report dated 22

April 2021 from Ms D Carville Director Corporate Services.

AC/029/2021: PROMPT PAYMENTS

Read: Report dated 22 April 2021 from Mr G Byrne Audit Services Manager regarding Prompt Payment Statistics. **(Copy circulated)**

Mr Byrne presented the above Report.

AGREED: It was agreed to note Q3 and Q4 Prompt Payments statistics, as per Report dated 22 April 2021 from Mr G Byrne Audit Services Manager.

CORPORATE SERVICES (CLOSED SESSION)

Items restricted in accordance with Part 3 of Schedule 6 of the Local Government Act (Northern Ireland) 2014

Agreed: On the proposal of Councillor Hanlon seconded by Councillor Sharvin, 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.

**AC/030/2021: UPDATE
RE: AUDIT RECOMMENDATIONS
(INCLUDING RISK PROFILE)**

Read: Report dated 22 April 2021 from Mr G Byrne Audit Services Manager, regarding an update on Internal Audit Recommendations made since formation of Newry Mourne & Down District Council in 2015, and a review of progress regarding implementation of NIAO recommendations. **(Copy circulated)**

(3.10pm – Councillor Lewis left the meeting)

AC/031/2021: UPDATE
ASM INVESTIGATION – SINGLE TENDER ACTIONS

Read: Report dated 22 April 2021 from Mr K Montgomery Assistant Director of Finance providing an update on the ASM Internal Audit Investigation regarding Council's use of Single Tender Actions. **(Copy circulated)**

AC/032/2021: DIRECT AWARD CONTRACTS

Read: Report dated 22 April 2021 from Mr G Byrne Audit Services Manager regarding Direct Award Contracts. **(Copy circulated)**

AC/033/2021: UPDATE
RE: FRAUD AND WHISTLEBLOWING

Read: Report dated 22 April 2021 from Mr G Byrne Audit Services Manager regarding Fraud and Whistleblowing. **(Copy circulated)**

AC/034/2021: UPDATE RE: PLANNING SERVICE

Read: Report dated 22 April 2021 from Mr C Mallon Director Enterprise Regeneration & Tourism regarding an update on the Planning Service. **(Copy circulated)**

AC/035/2021: UPDATE RE: CYBER SECURITY

Read: Report dated 22 April 2021 from Mr G Ringland IT Manager regarding an update on Cyber Security. **(Copy circulated)**

(3.10pm – Councillor Gibbons left the meeting)

INTERNAL AUDIT (CLOSED SESSION)

AC/036/2021: ASM INTERNAL AUDIT - SUMMARY REPORT

Read: ASM Internal Audit Summary Report dated 22 April 2021. **(Copy circulated)**

**AC/037/2021: ASM INTERNAL AUDIT
– ANNUAL ASSURANCE REPORT 2020/21**

Read: ASM Internal Audit Annual Assurance Report 2020/21.
(Copy circulated)

**AC/038/2021: ASM INTERNAL AUDIT FIELDWORK
RE: RISK MANAGEMENT**

Read: ASM Internal Audit Fieldwork Report dated 29 March
2021 regarding Risk Management.
(Copy circulated)

**AC/039/2021: ASM INTERNAL AUDIT FIELDWORK
RE: HR POLICY REVIEW**

Read: ASM Internal Audit Fieldwork Report dated 15 April 2021
regarding HR Policy Review.
(Copy circulated)

**AC/040/2021: ASM INTERNAL AUDIT FIELDWORK
RE: FUEL MANAGEMENT**

Read: ASM Internal Audit Fieldwork Report dated 16 April 2021
regarding Fuel Management.
(Copy circulated)

**AC/041/2021: ASM INTERNAL AUDIT FIELDWORK
RE: FLEET MANAGEMENT**

Read: ASM Internal Audit Fieldwork Report dated 16 April 2021
regarding Fleet Management.
(Copy circulated)

**AC/042/2021: ASM INTERNAL AUDIT FIELDWORK
RE: FOLLOW UP – PRIOR YEAR RECOMMENDATIONS**

Read: ASM Internal Audit Fieldwork Report dated 15 April 2021
regarding follow up review of prior year recommendations.
(Copy circulated)

(3.45pm – Ms C Hagan ASM left the meeting)

**AC/043/2021: ASM INTERNAL AUDIT
RE: DRAFT AUDIT STRATEGY AND ANNUAL PLAN**

Read: ASM Internal Audit, Draft Audit Strategy and Annual Plan 2021/22. **(Copy circulated)**

AC/044/2021: REVIEW OF INTERNAL AUDIT CONTRACT

Read: Report dated 22 April 2021 from Mr G Byrne Audit Services Manager regarding a review of the Internal Audit Contract Extension 2021/22. **(Copy circulated)**

NIAO (CLOSED SESSION)

**AC/045/2021: NIAO
RE: EXTERNAL AUDIT STRATEGY (FINANCIAL)**

Read: Correspondence dated 15 April 2021 from the Northern Ireland Audit Office regarding Newry Mourne and Down District Council Audit Strategy 2020/21.
(Copy circulated)

On the proposal of Councillor Sharvin seconded by Councillor Hanlon it was agreed to come out of Closed Session.

When the Committee came out of Closed Session the Chairperson reported the following decisions had been taken on the items discussed:

AC/030/2020: Update re: Audit Recommendations

AGREED: It was agreed to note the update contained in Report dated 22 April 2021 from Mr G Byrne Audit Services Manager in relation to legacy audit recommendations and the risk profile of internal audit reports.

It was also agreed a Report regarding Planning be brought the next Audit Committee Meeting with regards to a follow up of the implementation of the 2017/18 Internal Audit recommendations specifically.

AC/031/2021: Update re: ASM Investigation re Single Tender Actions

AGREED: It was agreed to note the update contained in Report dated 22 April 2021 from Mr K Montgomery Assistant Director of Finance, in relation to the ASM Investigation into the Council's use of Single Tender Actions.

AC/032/2021: Direct Award Contracts

AGREED: It was agreed to note the 2020-21 update contained in Report dated 22 April 2021 from Mr G Byrne Audit Services Manager, in relation to Single Tender Actions (Direct Award Contracts).

AC/033/2021: Fraud and Whistleblowing
(Inc verbal update re NRC and National Fraud Initiative)

AGREED: On the proposal of Councillor Gibbons seconded by Councillor Sharvin it was agreed:

1. To note the update contained in Report dated 22 April 2021 from Mr G Byrne Audit Services Manager, in relation to Fraud and Raising Concerns cases which have been detailed at Appendix 1.
2. To approve Part A of Appendix 2, as per above Report, which is designed to assist Audit Committee Members when reviewing, seeking assurance on, or challenging the effectiveness of Councils participation in the National Fraud Initiative.

AC/034/2021: Update re: Planning Service

AGREED: It was agreed to note the position as outlined in Report dated 22 April 2021 from Mr C Mallon Director of Enterprise Regeneration & Tourism with regard to Planning Service.

AC/035/2021: Update re: Cyber Security

AGREED: It was agreed to note presentation from Mr G Ringland IT Manager regarding Cyber Security.

AC/036/2021: ASM Internal Audit – Summary Report

AGREED: It was agreed to note ASM Internal Audit Summary Report dated 22 April 2021.

AC/037/2021: ASM Internal Audit – Annual Assurance Report 2020/21

AGREED: It was agreed to note ASM Internal Audit Annual Assurance Report 2020/21.

- AC/038/2021:** **ASM Internal Audit Report – Risk Management**
- AGREED:** It was agreed to note Report dated 29 March 2021 from ASM Internal Audit regarding Audit Fieldwork on Risk Management.
- AC/039/201:** **ASM Internal Audit Report – HR Policy Review**
- AGREED:** It was agreed to note Report dated 15 April 2021 from ASM Internal Audit regarding Audit Fieldwork on HR Policy Review.
- AC/040/2021:** **ASM Internal Audit Report – Fuel Management**
- AGREED:** It was agreed to note Report dated 16 April 2021 from ASM Internal Audit regarding Audit Fieldwork on Fuel Management.
- AC/041/2021:** **ASM Internal Audit Report – Fleet Management**
- AGREED:** It was agreed to note Report dated 16 April 2021 from ASM Internal Audit regarding Audit Fieldwork on Fleet Management.
- AC/042/2021:** **ASM Internal Audit Report
- Follow up – Prior year recommendations**
- AGREED:** It was agreed to note Report dated 15 April 2021 from ASM Internal Audit regarding Audit Fieldwork on follow up review of prior year recommendations.
- AC/043/2021:** **ASM Internal Audit Report
- Draft Audit Strategy and Annual Plan**
- AGREED:** On the proposal of Councillor Byrne seconded by Councillor Sharvin it was agreed to approve the ASM Internal Audit Draft Audit Strategy and Annual Plan 2021-22.
- AC/044/2021:** **Review of Internal Audit Contract**
- AGREED:** On the proposal of Councillor Casey seconded by Councillor Byrne it was agreed the first one year extension period of the internal audit contract with ASM should be

utilised so work can commence on the third year of the four year Internal Audit Plan, for reasons outlined in Report dated 22 April 2021 from Mr G Byrne Audit Services Manager.

AC/045/2021: **NIAO: External Audit Strategy (Financial)**

AGREED: It was agreed to note the Report from NIAO regarding External Audit Strategy (Financial).

PERFORMANCE (OPEN SESSION)

AC/046/2021: **DRAFT PERFORMANCE IMPROVEMENT OBJECTIVES**

Read: Report dated 22 April 2021 from Ms D Carville, Director of Corporate Services regarding Draft Performance Improvement Objectives 2021/22. **(Copy circulated)**

Agreed: It was agreed to note the following as per Report dated 22 April 2021 from Ms D Carville, Director of Corporate Services regarding Draft Performance Improvement Objectives 2021/22:

- The 5 Draft Performance Improvement Objectives 2021-22, as per Appendix 1.
- The proposed approach and timetable for publishing the Performance Improvement Plan 2021-22, by 30 June 2021, as per Appendix 2.

CIRCULARS

AC/047/2021: **DEPARTMENT FOR COMMUNITIES
CONSOLIDATED COUNCILLORS ALLOWANCES**

Read: Correspondence dated 08 March 2021 from Department for Communities regarding Consolidated Councillor Allowances – Circular updated March 2021. **(Copy circulated)**

AGREED: It was agreed to note correspondence from Department for Communities regarding Consolidated Councillor Allowances – Circular updated March 2021.

**AC/048/2021: DEPARTMENT FOR COMMUNITIES
RE: DESIGNATION OF LOCAL GOVERNMENT
AUDITOR**

Read: Correspondence dated 02 March 2021 from Department for Communities regarding Designation of Local Government Auditor.
(Copy circulated)

AGREED: It was agreed to note correspondence from Department for Communities regarding Designation of Local Government Auditor.

**AC/049/2021: DEPARTMENT FOR COMMUNITIES
RE: ACCOUNTS DIRECTION 2020-21
- NI DISTRICT COUNCILS**

Read: Correspondence dated 11 March 2021 from Department for Communities regarding Accounts Direction 2020/21 – Northern Ireland District Councils.
(Copy circulated)

AGREED: It was agreed to note correspondence from Department for Communities regarding Accounts Direction 2020/21 – Northern Ireland District Councils.

There being no further business the meeting concluded at 4.00 pm.

For consideration at the Council Meeting to be held on Monday 07 June 2021.

Signed: Ms D Carville
Director Corporate Services

Signed: Ms B Slevin
Independent Chairperson