

NEWRY MOURNE AND DOWN DISTRICT COUNCIL

Minutes of Audit Committee Meeting held on Thursday 28 April 2022 via Microsoft Teams.

Chairperson: Ms B Slevin Independent Chairperson

In attendance: **(Committee Members)**
Councillor P Byrne
Councillor C Casey
Councillor O Hanlon
Councillor A Lewis
Councillor D Murphy
Councillor D McAteer

Non members: Councillor A Finnegan
Councillor G Sharvin

Officials in attendance: Ms D Carville Deputy Chief Executive
Mr J McBride Director Neighbourhood Services
Mr C Mallon Director Enterprise Regeneration & Tourism
Mr G Byrne Assistant Director of Finance (Acting)
Ms L Dillon Democratic Services Officer
Ms S Taggart Democratic Services Manager

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

AC/024/2022: APOLOGIES AND CHAIRPERSON'S REMARKS

The following apologies were received:

Councillor L Devlin
Ms M Ward Chief Executive
Mr M Lipsett Director Active & Healthy Communities

AC/025/2022: DECLARATIONS OF INTEREST

- Ms C Hagan ASM, declared an interest in Item 14 re: Internal Audit Contract Extension and withdrew from the Meeting for discussion on this item.
- Ms B Slevin Independent Chairperson, declared an interest in Item 7 re: Annual Assessment of Audit Committee and Chairpersons Performance and as she was not required to leave the meeting, she remained in attendance during discussion on this item.
- Councillor P Byrne declared an interest in Item 7 re: Annual Assessment of Audit Committee and Chairpersons Performance.

**AC/026/2022: ACTION SHEET ARISING FROM:
AUDIT COMMITTEE MEETING: 11 JANUARY 2022**

Read: Action Sheet arising from Minutes of the Audit Committee Meeting held on Tuesday 11 January 2022.
(Copy circulated)

AGREED: **On the proposal of Councillor Lewis seconded by Councillor Murphy it was agreed to note the Action Sheet arising from the Audit Committee Meeting held on Tuesday 11 January 2022.**

**AC/027/2022: DATES / START TIMES
AUDIT COMMITTEE MEETINGS 2022-2023**

Read: Proposed dates and start times for Audit Committee Meetings for the 2022-2023 term.
(Copy circulated)

AGREED: **On the proposal of Councillor Lewis seconded by Councillor McAteer it was agreed to note the following dates and start times, in respect of Audit Committee Meetings from July 2022 to April 2023, which will be tabled for formal approval via the Council's Annual Meeting to held on Monday 06 June 2022.**

- **Tuesday 19 July 2022 at 2.00pm**
- **Thursday 22 September 2022 at 2.00pm**
- **Wednesday 11 January 2023 at 2.00pm**
- **Tuesday 25 April 2023 at 2.00pm**

AC/028/2022: AUDIT COMMITTEE:
- **TERMS OF REFERENCE**
- **TIMETABLE**

Read: Report dated 28 April 2022 from Mr G Byrne Assistant Director of Finance (Acting) regarding:
- Audit Committee Terms of Reference (as approved by Council on 4 March 2019)
- Audit Committee Timetable for 2022-2023.
(Copy circulated)

Mr Byrne explained no updates were required to the Audit Committee Terms of Reference as they remained in compliance with best practice.

He said an annual review of Procurement Action Plans and a 6 monthly review of Members' Register of Interests, had both been added to the Audit Committee Timetable going forward for the 2022 – 2023 term.

AGREED: On the proposal of Councillor Lewis seconded by Councillor Hanlon 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 2022-2023.**

AC/029/2020: AUDIT COMMITTEE SELF ASSESSMENT 2020/2021

Read: Report dated 28 April 2022 from Ms B Slevin Independent Chairperson of Audit Committee, regarding the Audit Committee Self-Assessment 2021/2022.
(Copy circulated)

Ms Slevin explained a Self-Assessment Questionnaire was sent to the Audit Committee Members and based on feedback reflected the Audit Committee was operating effectively.

She referred to late reports and confirmed Officers would endeavour to ensure reports are provided on time to allow Members to read content and she welcomed the marked improvement over the year in the timely receipt of reports.

AGREED: On the proposal of Councillor McAteer seconded by Councillor Lewis it was agreed to approve Report from Ms B Slevin Independent Chairperson of Audit Committee, and note the Audit Committee Self-Assessment 2021/2022.

**AC/030/2020: ANNUAL ASSESSMENT
RE: CHAIRPERSONS PERFORMANCE
AUDIT COMMITTEE 2021/22**

Read: Report dated 28 April 2022 from Ms D Carville Director Corporate Services, regarding the annual assessment of the Chairpersons Performance in respect of the Audit Committee 2021/22. **(Copy circulated)**

Ms Carville explained Councillor Byrne represented Members in assessing the Chairpersons' performance against the National Audit's Best Practice Guide, and that she represented the Chief Executive and confirmed they both agreed the Chairperson has demonstrated performance aligned to best practice and has carried out the role of Chairperson very effectively at all Committee meetings.

She extended thanks to the Chairperson for carrying out duties effectively.

AGREED: On the proposal of Councillor Hanlon seconded by Councillor Casey it was agreed to note the Annual Assessment of the Chairperson's Performance in respect of the Audit Committee for 2021/22.

CORPORATE SERVICES (OPEN SESSION)

AC/031/2022: CORPORATE RISK REGISTER

Read: Report dated 28 April 2022 from Ms D Carville, Director of Corporate Services regarding the Corporate Risk Register. **(Copy circulated)**

Ms Carville explained the Corporate Risk Register was reviewed and updated by Senior Management Team on 07 April 2022, and she highlighted the following:

She referred to the following other risk factors considered but which are not included on the Corporate Risk Register:

- *Insurance Premiums* – contained within the Corporate Services Risk Directorate
- *Recruitment of staff in senior positions / key skills positions* – included under CR 5.
- *Rising cost of utilities* – this has been incorporated in budgets but will remain under review as it may need to be elevated in due course. An uplift has been included in estimates for rising utility costs but it is now considered likely this will not be enough to cover the actuals which will be invoiced in the coming months.

She referred Members to the Active & Healthy Communities Directorate Risk Register which gave detail on the risk content for this particular directorate.

She also referred to movement in residual risk scores where risk ratings had been changed and had increased in terms of risk, for reasons as outlined in the report.

Members raised concerns on the following areas:

- Impact of utility cost increases should costs continue to rise
- Audit on Planning Committee turnovers
- Increase in Residual Risk Scores, in particular CR5 – Planning for the future and difficulties in staff recruitment.

With regard to utility cost increases Ms Carville said the Council have budgeted for increases, and while Council reserves will be able to meet any overspend on a short term basis, the Council will have to consider the long term impact on services should costs continue to rise.

With regard to an audit on Planning Committee turnovers she explained arising from NIAO and Public Accounts Committee reports issued on the planning system, Council is required to look at the level of overturns. A desktop review will be carried out with results and any recommendations for improvement being brought to the Planning Committee.

Ms Carville said the Council plan to proceed to recruit for 2 No. Assistant Director posts and a Director of Corporate Services post and the outcome of these three recruitment processes should be known in advance of the next Audit Committee Meeting in July 2022.

Noted: It was agreed to note concerns raised by Members regarding the risk associated with the Council's ability to implement the Planning for the Future restructuring whilst the Council is experiencing difficulties with the recruitment of senior positions, which highlights the need for this issue to be included in CR 5, and kept under review on the Corporate Risk Register going forward.

AGREED: **On the proposal of Councillor Byrne seconded by Councillor McAteer it was agreed as follows:**

- (a) To approve the updates to the Corporate Risk Register highlighted within the summary at Appendix 1. (Full Corporate Risk Register can be evidenced at Appendix 2)**
- (b) To note the revised AHC Directorate Risk Register at Appendix 3.**

AC/032/2022: PROMPT PAYMENT STATISTICS

Read: Report dated 28 April 2022 from Mr G Byrne Assistant Director of Finance (Acting) regarding Prompt Payment Statistics – Quarter 3. **(Copy circulated)**

AGREED: On the proposal of Councillor Casey seconded by Councillor Byrne it was agreed to note the Quarter 3 2021-22 Prompt Payment statistics.

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 McAteer seconded by Councillor Casey 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/033/2022: UPDATE
RE: AUDIT RECOMMENDATIONS**

Read: Report dated 28 April 2022 from Mr G Byrne Assistant Director of Finance (Acting) regarding an update on Audit Recommendations. **(Copy circulated)**

AC/034/2022: (BI ANNUAL) PROCUREMENT ACTION PLANS

Read: Report dated 28 April 2022 from Mr G Byrne Assistant Director of Finance (Acting) regarding a bi-annual update on Procurement Action Plans per Directorate. **(Copy circulated)**

AC/035/2022: DIRECT AWARD CONTRACTS

Read: Report dated 28 April 2022 from Mr G Byrne Assistant Director of Finance (Acting) regarding the Quarter 4 update on Direct Award Contracts (DACs) / Single Tender Actions (STAs). **(Copy circulated)**

AC/036/2022: FRAUD & WHISTLEBLOWING

Read: Report dated 28 April 2022 from Mr G Byrne Assistant Director of Finance (Acting) regarding an update on Fraud and Raising Concerns.
(Copy circulated)

(3.22pm - Ms C Hagan ASM left the meeting)

AC/037/2022: INTERNAL AUDIT SERVICES CONTRACT EXTENSION 2022/23

Read: Report dated 28 April 2022 from Mr G Byrne Assistant Director of Finance (Acting) regarding the contract for internal audit services.
(Copy circulated)

AC/038/2022: REPORT RE: MUSEUMS

Read: Report dated 28 April 2022 from Ms D Carville Deputy Chief Executive regarding Museums restructuring.
(Copy circulated)

AC/039/2022: NEWRY CITY CENTRE REGENERATION PROGRAMME (NCCR) – GOVERNANCE REVIEW

Read: Report dated 28 April 2022 from Mr C Mallon Director Enterprise Regeneration & Tourism, regarding a governance review into the Council's governance of the Newry City Centre Regeneration Programme (NCCR).
(Copy circulated)

AC/040/2022: OPERATORS LICENCE AUDIT

Read: Report dated 28 April 2022 from Mr J McBride Director Neighbourhood Services, regarding a (Fleet) Operator's Licence Compliance Audit by the Road Haulage Association.
(Copy circulated)

INTERNAL AUDIT (CLOSED SESSION)

**AC/041/2022: ASM INTERNAL AUDIT
SUMMARY REPORT**

Read: ASM Internal Audit Summary Report dated 28 April 2022.
(Copy circulated)

**AC/042/2022: ASM INTERNAL AUDIT
ANNUAL ASSURANCE REPORT 2021/22**

Read: ASM Internal Audit – Annual Assurance Report 20221/22,
dated 25 April 2022.
(Copy circulated)

**AC/043/2022: ASM INTERNAL AUDIT
AUDIT FIELDWORK 2021-22
RE: ACCOUNTS RECEIVABLE / CREDIT CONTROL**

Read: ASM Audit Fieldwork Report dated 31 March 2022
regarding Accounts Receivable and Credit Control.
(Copy circulated)

**AC/044/2022: ASM INTERNAL AUDIT
AUDIT FIELDWORK 2021-22
RE: FOLLOW UP REVIEW OF 2020/21
RECOMMENDATIONS**

Read: ASM Audit Fieldwork Report dated 25 April 2022,
regarding follow up review of previous year 2020/21
recommendations.
(Copy circulated)

**AC/045/2022: ASM INTERNAL AUDIT
AUDIT FIELDWORK 2021-22
RE: SINGLE TENDER ACTIONS**

Read: ASM Audit Fieldwork Report dated 25 April 2022
regarding Single Tender Actions.
(Copy circulated)

**AC/046/2022: ASM INTERNAL AUDIT
STRATEGY AND ACTION PLAN**

Read: ASM Internal Audit Strategy and Action Plan.
(Copy circulated)

NIAO (CLOSED)

**AC/047/2022: NIAO
NMDDC EXTERNAL AUDIT STRATEGY**

Read: Correspondence dated 13 April 2022 from NIAO regarding Newry Mourne & Down District Council Audit Strategy 2021-22.
(Copy circulated)

**AC/048/2022: NIAO
PERFORMANCE IMPROVEMENT AUDIT & ASSESSMENT 2021-22**

Read: Report dated 28 April 2022 from Ms D Carville Acting Chief Executive regarding the NIAO Performance Improvement Audit and Assessment 2021-222.
(Copy circulated)

On the proposal of Councillor McAteer seconded by Councillor Murphy 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/033/2022: Update re: Audit Recommendations

AGREED: On the proposal of Councillor Casey seconded by Councillor Byrne it was agreed to note the update in relation to legacy audit recommendations.

AC/034/2022: (Bi-annual) Procurement Action Plans

AGREED: On the proposal of Councillor Byrne seconded by Councillor McAteer it was agreed to note the update in relation to the Procurement Action Plans for each Directorate.

AC/035/2022: Direct Award Contracts

AGREED: On the proposal of Councillor Murphy seconded by Councillor McAteer it was agreed to note the Quarter 4 Update in relation to Single Tender Actions.

AC/036/2022: **Fraud & Raising Concerns**

AGREED: On the proposal of Councillor Lewis seconded by Councillor Byrne it was agreed:

- a) To note the update in relation to Fraud and Raising Concerns cases which have been detailed at Appendix 1.
- b) To note the Action Plan detailed at Section 2.3, based on the NIAO Internal Fraud Self-Assessment.

AC/037/2022: **Internal Audit Services – Contract Extension 2022/23**

AGREED: On the proposal of Councillor Casey seconded by Councillor Murphy it was agreed that the final one-year extension period should be utilised so work can commence on the final year of the four year Internal Audit Plan, and the extension approved to the ASM contract.

AC/038/2022: **Report re: Museums**

AGREED: On the proposal of Councillor Murphy seconded by Councillor Casey it was agreed to note the request from the Elected Member and that the Strategic Review will take place as soon as possible.

AC/039/2022: **Newry City Centre Regeneration Programme (NCCR) - Governance Review**

AGREED: On the proposal of Councillor Byrne seconded by Councillor Casey it was agreed to note the progress to date in relation to the recommendations raised by ASM.

AC/040/2022: **Audit – Operator’s Licence**

AGREED: On the proposal of Councillor Casey seconded by Councillor McAteer it was agreed to note the contents of Report dated 28 April 2022 from Mr J McBride Director Neighbourhood Services (Acting), regarding a (Fleet) Operator’s Licence Compliance Audit.

- AC/041/2022:** **ASM Internal Audit - Summary Report**
- AGREED:** On the proposal of Councillor Casey seconded by Councillor McAteer it was agreed to note the ASM Internal Audit Summary Report.
- AC/042/2022:** **ASM Internal Audit – Annual Assurance Report 2021/22**
- AGREED:** On the proposal of Councillor Casey seconded by Councillor McAteer it was agreed to note the ASM Internal Audit Annual Assurance Report 2021/22.
- AC/043/2022:** **ASM Internal Audit Audit Fieldwork re: Accounts Receivable**
- AGREED:** On the proposal of Councillor Casey seconded by Councillor McAteer it was agreed to note the ASM Internal Audit Fieldwork Report regarding Accounts Receivable.
- AC/044/2022:** **ASM Internal Audit Audit Fieldwork re: Follow up review of Recommendations 2020/21**
- AGREED:** On the proposal of Councillor Casey seconded by Councillor McAteer it was agreed to note the ASM Internal Audit Fieldwork Report regarding follow review of recommendations 2020-21.
- AC/045/2022:** **ASM Internal Audit Audit Fieldwork re: Single Tender Actions**
- AGREED:** On the proposal of Councillor Casey seconded by Councillor McAteer it was agreed to note the ASM Internal Audit Fieldwork Report regarding Single Tender Actions.
- AC/046/2022:** **ASM Internal Audit – Strategy and Action Plan**
- AGREED:** On the proposal of Councillor McAteer seconded by Councillor Byrne it was agreed to approve the Internal Audit Strategy and Action Plan 2022-23.

AC/047/2022: **NIAO – External Audit Strategy**

AGREED: On the proposal of Councillor McAteer seconded by Councillor Byrne it was agreed to note the External Audit Strategy.

AC/048/2022: **NIAO Performance Audit and Assessment**

AGREED: On the proposal of Councillor Byrne seconded by Councillor Casey it was agreed to note the NIAO Performance Audit and Assessment.

PERFORMANCE (OPEN SESSION)

AC/049/2022: **PERFORMANCE IMPROVEMENT OBJECTIVES
2022 – 23**

Read: Report dated 11 January 2022 from Ms D Carville, Director of Corporate Services regarding Draft Performance Improvement Objectives 2022/23. **(Copy circulated)**

Ms Carville explained the Performance Improvement Assessment for next year has been approved by the SPR Committee in March 2022 and has now been submitted for an 8 week consultation process. She added that the 5 Performance Improvement Objectives have been carried forward from the previous year taking into account the situation that arose during last 2 years due to the Covid 19 pandemic.

Agreed: On the proposal of Councillor McAteer seconded by Councillor Casey it was agreed to note:

- 1. The five draft Performance Improvement Objectives 2022-23, as outlined in Appendix 1.**
- 2. The proposed approach and timetable for publishing the Performance Improvement Plan 2022-23, as outlined in Appendix 2, including approval to commence the consultation and engagement process on 21 March 2022.**

CIRCULARS

**AC/050/2022: DEPARTMENT FOR COMMUNITIES
RE: ACCOUNTS DIRECTION 2021/22
- NORTHERN IRELAND DISTRICT COUNCILS**

Read: Correspondence dated 07 January 2022 (LG 02/2022) from Department for Communities regarding Accounts Direction 2021/22 – Northern Ireland District Councils. **(Copy circulated)**

AGREED: On the proposal of Councillor Murphy seconded by Councillor Byrne it was agreed to note correspondence dated 07 January 2022 (LG 02/2022) from Department for Communities regarding Accounts Direction 2021/22 – Northern Ireland District Councils.

**AC/051/2022: DEPARTMENT FOR COMMUNITIES
RE: LOCAL GOVERNMENT MODEL TERMS,
CONDITIONS AND RESTRICTIONS**

Read: Correspondence dated 01 February 2022 from Department for Communities regarding (LG 07/2022) Revised Model Terms, Conditions & Restrictions which may be specified in Entertainment Licences by Councils. **(Copy circulated)**

AGREED: On the proposal of Councillor Murphy seconded by Councillor Byrne it was agreed to note correspondence dated 01 February 2022 from Department for Communities regarding (LG 07/2022) Revised Model Terms, Conditions & Restrictions which may be specified in Entertainment Licences by Councils.

**AC/052/2022: DEPARTMENT FOR COMMUNITIES
RE: DISTRICT COUNCIL (NI) RATE STATISTICS
2022/2023**

Read: Correspondence dated 28 February 2022 (LG 09/2022) from Department for Communities regarding District Council (NI) Rate Statistics. **(Copy circulated)**

AGREED: On the proposal of Councillor Murphy seconded by Councillor Byrne it was agreed to note correspondence dated 28 February 2022 (LG 09/2022) from Department for Communities regarding District Council (NI) Rate Statistics.

**AC/053/2022: DEPARTMENT FOR COMMUNITIES
RE: CONSOLIDATED COUNCILLORS ALLOWANCE**

Read: Correspondence dated 28 March 2022 (LG 10/2022) from Department for Communities regarding Consolidated Councillors Allowance. **(Copy circulated)**

AGREED: **On the proposal of Councillor Murphy seconded by Councillor Byrne it was agreed to note correspondence dated 28 March 2022 (LG 10/2022) from Department for Communities regarding Consolidated Councillors Allowance.**

There being no further business the meeting concluded at 3.30pm.

For consideration at the Council Meeting to be held on Monday 06 June 2022.

**Signed: Ms D Carville
Deputy Chief Executive**

**Signed: Ms B Slevin
Independent Chairperson**