

NEWRY MOURNE AND DOWN DISTRICT COUNCIL

**Minutes of Audit Committee Meeting held on Thursday 26 April 2018 2018 at
2.00pm in the Mourne Room, Downshire Estate, Downpatrick**

Chairperson: Mr J Campbell, Independent Chairperson

In Attendance: **(Committee Members)**
Councillor C Casey
Councillor L Devlin
Councillor G Hanna
Councillor T Hearty
Councillor M Murnin
Councillor M Ruane
Councillor G Sharvin
Councillor J Tinnelly

Officials in Attendance: Mr L Hannaway, Chief Executive
Ms D Carville, Director Corporate Services
Mr K Montgomery, Assistant Director, Corporate
Services (Finance)
Mr J McBride, Assistant Director, Community
Planning & Performance
Mr G Byrne, Audit Services Manager
Miss S Taggart, Democratic Services Officer

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

AC/22/2018: APOLOGIES AND CHAIRPERSON'S REMARKS

There were no apologies received.

AC/23/2018: DECLARATIONS OF INTEREST

Councillor Sharvin and Ms Hagan declared an interest in item 25 on the agenda –
Internal Audit Contract Extension.

**AC/24/2018: ACTION SHEET ARISING FROM AUDIT COMMITTEE MEETING
HELD ON THURSDAY 11 JANUARY 2018**

Read: Action Sheet arising out of Minutes of Audit Committee Meeting
held on 11 January 2018. (Copy circulated)

AC/18/2018 – Internal Audit Asset Summary Report

The Chairperson advised that an outline business case for a grants database would be considered at a ITPG meeting in 2nd May and an update would be brought back to a future committee meeting.

Noted: **On the proposal of Councillor Hearty, seconded by Councillor Hanna, the action sheet was noted.**

CORPORATE SERVICES

AC/25/2018 **CORPORATE RISK REGISTER**

Read: Report from Mrs D Carville, Director of Corporate Services, dated 26 April 2018, regarding Corporate Risk Register (copy circulated)

In response to queries from Members, Mrs Carville advised there had been no elevated corporate risks since the register was last tabled and work was on-going in the background with regard to the implementation of GDPR.

Councillor Sharvin asked when the identified risks with regard to GDPR would appear before the Committee.

Mrs Carville advised the corporate level risks would appear on the corporate risk register and update reports on the implementation of GDPR would be brought to the SPR Committee with further training courses being organised as required.

Noted: **The Corporate Risk Register was noted.**

AC/26/2018 **FRAUD & WHISTLEBLOWING UPDATE**

Read: Report from Mr G Byrne, Audit Services Manager, dated 26 April 2018, regarding Fraud and Whistleblowing Update (copy circulated)

In response to a question from Councillor Sharvin, Mrs Carville advised the review into the Big Screen to be considered by the Audit Committee was complete as far as possible at present with a Lessons Learned report presented to the January Audit Committee meeting. However there was other work on-going and the case would remain open until the review had run its course.

The Chairperson enquired whether the Audit Committee would receive a progress report on those issues identified as the key lessons to be learned.

Mrs Carville advised the lessons learned document was best practice guidance which was something that the organisation would strive to do for every procurement exercise going forward. She stated the internal audit review of procurement compliance scheduled for the 18-19 year was the most beneficial way of getting a level of assurance in terms of procurement practice.

Noted: **The Fraud and Whistleblowing Report was noted.**

AC/27/2018 **DIRECT AWARD CONTRACTS**

Read: Report from Mr D Barter, Procurement Manager, dated 26 April 2018, regarding Direct Award Contract (DAC) Register (copy circulated)

Noted: **It was agreed to note the Direct Award Contract Register.**

AC/28/2018 **UPDATE ON AUDIT RECOMMENDATIONS**

Read: Report from Mr G Byrne, Audit Services Manager, dated 26 April 2018, regarding Update on Audit Recommendations

In response to a query from Councillor Murnin, Mr Byrne advised he would need to speak to the officer with responsibility for the Off-Street Parking contract and would revert back to the Councillor with an update.

Agreed: **It was agreed that Mr Byrne would revert to Councillor Murnin with an update on the Off-Street Parking contract and it was also agreed to note the update on Audit Recommendations report.**

AC/29/2018 **UPDATE ON PROCUREMENT**

Read: Report from Mr K Montgomery, Assistant Director of Finance, dated 26 April 2018, regarding Update on Procurement (copy circulated)

Mr Byrne advised training sessions had been scheduled at both the Newry and Downpatrick sites for appropriate staff from the beginning of June with a further session for Directors, Assistant Directors and Head of Service in May 2018.

Noted: **It was agreed to note the update on procurement.**

AC/30/2018 **PROMPT PAYMENT STATISTICS**

Read: Report from Mr K Montgomery, Assistant Director of Finance, dated 26 April 2018, regarding Prompt Payment Statistics (copy circulated)

In response to a query from Councillor Casey, Mr Montgomery stated he had not compared these statistics with those of the two legacy Councils, however he could do and would bring the comparison back to a future Audit Committee.

Councillor Hanna asked how many days over the target payments were being made.

Mr Montgomery stated the figure was higher for this period as there were large invoices paid for capital contracts for the two leisure centres.

Noted: **It was agreed to note the Prompt Payment Statistics.**

AC/31/2018 **MANAGING THE RISK OF BRIBERY AND CORRUPTION**

Read: Report from Mr G Byrne, Audit Services Manager, dated 26 April 2018, regarding Managing the Risk of Bribery and Corruption – Actions (copy circulated)

The Chairperson asked following ratification at the SPR Committee, for the Conflicts of Interest Policy to be tabled at the Audit Committee.

Agreed: **It was agreed that once approved at SPR Committee, the Conflicts of Interest Policy would be tabled at Audit Committee Meeting. It was also agreed to note the Risk of Bribery and Corruption report.**

AC/32/2018 **YEAR END ACCOUNTS UPDATED 2017/18**

Read: Report from Mr K Montgomery, Assistant Director of Finance, dated 26 April 2018, regarding Year End Accounts Updated 2017/18 (copy circulated)

The Chairperson queried whether there was likely to be a change in any of the accounting policies following review and whether the timetable was deliverable.

Mr Montgomery advised he was not aware of any changes to the accounting policies and would hope to deliver on the timetable as set out.

Noted: **It was agreed to note the year end accounts updated 2017/18**

AC/33/2018 **AUDIT & RISK ASSURANCE COMMITTEE HANDBOOK REVISION**

Read: Report from Mr G Byrne, Audit Services Manager, dated 26 April 2018, regarding Audit and Risk Committee Handbook (NI) 2018 (copies circulated at meeting)

Agreed: **It was agreed to note the Audit & Risk Assurance Committee Handbook Revision.**

AC/34/2018

CIRCULARS FOR NOTING

Read: Correspondence from Department for Communities, dated 9 January 2018, regarding Circular LG 01/18 - Designation of Local Government Auditor. (Copy circulated)

Read: Correspondence from Department for Communities, dated 8 March 2018, regarding Circular LG 05/18 - Accounts Direction for District Councils 2017/18. (Copy circulated)

Mrs Carville highlighted that the accounts must be submitted to the Department on or before 30 June following the financial year to which they relate with an earlier closing date of 30 September 2018 for approval of the audited accounts.

The Chairperson stated the Audit Committee scheduled for 20th September 2018 would be the meeting at which the accounts were agreed therefore it was important that all Members took cognisance of the date.

Agreed: It was agreed to note the above mentioned circulars.

It was agreed that items 14 and 16 on the agenda could be taken in open session.

AC/35/2018

DRAFT PERFORMANCE IMPROVEMENT OBJECTIVES 2018-19

Read: Report from Ms K Bingham, Head of Performance and Improvement, dated 26 April 2018, regarding Draft Performance Improvement Objectives 2018-19 (copy circulated)

In response to a query from the Chairperson, Mr McBride advised the equality scheme previously agreed allowed provision for 8 weeks consultation as opposed to 12 weeks. Furthermore as there had already been a lot of consultation carried out in terms of identifying the performance objectives, he was satisfied that the 8 week consultation period was sufficient.

Noted: It was agreed to note the Draft Performance improvement Objectives for 2018-19.

AC/36/2018

**NIAO IMPROVEMENT AUDIT AND ASSESSMENT REPORT –
UPDATE ON THE PROPOSALS FOR IMPROVEMENT**

Read: Report from Ms K Bingham, Head of Performance and Improvement, dated 26 April 2018, regarding Improvement Audit and Assessments – Update on Progress with the ‘Proposals for Improvement’ (copy circulated)

Noted: The update on the proposals for improvement was noted.

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

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

AC/37/2018 **CORRESPONDENCE FROM SOLACE RE: PERFORMANCE AUDIT AND ASSESSMENT**

Read: Correspondence received from SOLACE, dated 9 March 2018, regarding Performance Audit and Assessment (copy circulated).

Noted: It was agreed to note the correspondence from SOLACE re: Performance Audit and Assessment

AC/38/2018 **PERFORMANCE IMPROVEMENT STRATEGY 2017-18**

Read: Correspondence received from NIAO, dated 18 April 2018, regarding Performance Improvement Strategy 2017-18 (copy circulated).

Noted: It was agreed to note the correspondence from NIAO on Performance Improvement Strategy 2017-18.

AC/39/2018 **INTERNAL AUDIT SUMMARY REPORT**

Read: Report from Internal Audit to Audit Committee 26 April 2018 – Summary Report (copy circulated)

Agreed: It was agreed to note the Internal Audit Summary Report

AC/40/2018 **REVIEW OF PLANNING REPORT**

Read: Report from Internal Audit to Audit Committee 26 April 2018 – Review of Planning Report (copy circulated)

Agreed: It was agreed to note the Review of Planning Report.

AC/41/2018 **DISASTER RECOVERY AND PROGRESS ON IMPLEMENTING IT STRATEGY REPORT**

Read: Report from Internal Audit to Audit Committee 26 April 2018 – Disaster Recovery and Progress on Implementing IT Strategy Report (copy circulated)

Agreed: **It was agreed to note the Disaster Recovery and Progress on Implementing IT Strategy Report.**

AC/42/2018 **PROCUREMENT REVIEW**

Read: Report from Internal Audit to Audit Committee 26 April 2018 – Procurement Review (copy circulated)

AGREED: **It was agreed to note the Procurement Review.**

AC/43/2018 **AUDIT FOLLOW-UP 2016-17 REPORT**

Read: Report from Internal Audit to Audit Committee 26 April 2018 – Audit Follow-up 2016-17 Report (copy circulated)

AGREED: **It was agreed to note the Audit Follow-up 2016-17 Report.**

AC/44/2018 **INTERNAL AUDIT PLAN 2018-19**

Read: Report from Internal Audit to Audit Committee 26 April 2018 – Internal Audit Plan 2018-19 (copy circulated)

AGREED: **It was agreed on the proposal of Councillor Hearty, seconded by Councillor Sharvin to approve the Internal Audit Plan 2018-19 as presented, with the changes proposed accepted.**

Councillor Sharvin and Ms Hagan left the meeting at this stage having previously declared an interest – 3.35pm

AC/45/2018 **INTERNAL AUDIT CONTRACT EXTENSION**

Read: Report from Mr G Byrne, Audit Services Manager, dated 26 April 2018, regarding Internal Audit Contract Extension (copy circulated)

AGREED: **It was agreed on the proposal of Councillor Hearty, seconded by Councillor Murnin to approve the final extension period in ASMs Internal Audit contract.**

FOR DISCUSSION/DECISION

AC/46/2018

TO AGREE MEETING DATE FOR JUNE/JULY MEETING

AGREED:

It was agreed to hold the next Audit Committee Meeting on Thursday 5th July at 2pm, subject to ratification at the June AGM of Council.

The Meeting concluded at 3.40pm

For consideration at the Council Meeting to be held on Tuesday 8th May 2018

Signed:

**Ms D Carville
Director of Corporate Services**

Signed:

**Mr J Campbell
Independent Chairperson**