

NEWRY MOURNE AND DOWN DISTRICT COUNCIL

Minutes of Audit Committee Meeting held on Monday 15 April 2019 at 3.00pm in the Mourne Room, Downshire Estate, Downpatrick

Chairperson: Mr J Campbell, Independent Chairperson

In Attendance: **(Committee Members)**
Councillor C Casey
Councillor R Mulgrew
Councillor M Murnin
Councillor M Ruane
Councillor W Clarke

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

Also in Attendance: Ms C Hagan, ASM (Internal Auditors)
Mr T Wilkinson, Northern Ireland Audit Office
Ms B Slevin, Incoming Independent Chairperson

AC/022/2019: APOLOGIES AND CHAIRPERSON'S REMARKS

No apologies received.

The Chairperson stated this would be his last Audit Committee Meeting with Newry Mourne & Down District Council and he extended his thanks to the Members for their support during his time in office and to the political parties for ensuring continuity on the Committee, the Internal Auditors ASM for the professional service they provided, in particular Christine Hagan, the Chief Executive and Director of Corporate Services, Assistant Director of Corporate Services (Finance), Audit Services Manager and Democratic Services staff for their support and assistance throughout his term of office.

The Chairperson welcomed Mr Tomas Wilkinson NIAO to the meeting who would be replacing Colette Kane to whom he also extended his thanks for her support during his time in office.

He welcomed Brona Slevin, the newly appointed Independent Chairperson of the Audit Committee. He said he worked with Brona previously and had no doubt she would be a great success and wished her all the best in her term as Chairperson of the Committee.

On behalf of the SDLP, Councillor Murnin thanked Mr Campbell for his guidance and invaluable assistance over the past four years.

Councillor Ruane echoed Councillor Murnin's comments, and extended thanks on behalf of Sinn Fein to Mr Campbell and said it had been a pleasure to work with him.

Mr Hannaway said it had been great to work with Mr Campbell over the last four years and added the Audit Committee had worked very well under his chairmanship.

AC/023/2019: DECLARATIONS OF INTEREST

No declarations of interest.

**AC/024/2019: ACTION SHEET ARISING FROM AUDIT COMMITTEE MEETING
- TUESDAY 15 JANUARY 2019**

Read: Action Sheet arising out of Minutes of Audit Committee Meeting held on Tuesday 15 January 2019. (Copy circulated)

It was noted all actions had been completed, with the exception of AC/018/2019 regarding Grants Database which would remain on the Action Sheet.

Agreed: On the proposal of Councillor Casey seconded by Councillor Ruane it was agreed to note the Action Sheet and remove those actions marked for removal.

**AC/025/2019: APPOINTMENT
INDEPENDENT CHAIRPERSON OF AUDIT COMMITTEE**

Ms Carville explained Mr Joe Campbell would be stepping down as Independent Chairperson of the Audit Committee and that following a recruitment process, Ms Brona Slevin had been appointed as the new Independent Chairperson of the Audit Committee for the next four-year term.

Noted: It was agreed to note that Ms Brona Slevin had been appointed as the new Independent Chairperson of the Audit Committee for the next four-year term.

**AC/026/2019 TERMS OF REFERENCE
AUDIT COMMITTEE**

Read: Audit Committee Terms of Reference. (copy circulated)

Ms Carville advised the Audit Committee Terms of Reference had been approved at the Council Meeting held on Monday 4 March 2019 following review and updating based on

CIPFA Audit Committee handbook 2018 and HM Treasury Handbook 2016. Ms Carville stated the terms of reference would continue to be reviewed on an annual basis.

Agreed: **It was agreed to note the Audit Committee Terms of Reference which have been formally approved at the Council Meeting on 4 March 2019.**

CORPORATE SERVICES

AC/027/2019 **CORPORATE RISK REGISTER**

Read: Report dated 15 April 2019 from Mrs D Carville, Director of Corporate Services, regarding Corporate Risk Register.
(Copy circulated)

Mrs Carville advised that the Senior Management Team had completed a thorough review of the Corporate Risk Register on 2 April 2019 and the Audit Services Manager would carry out a detailed review to update all 4 Directorate Risk Registers in April/May 2019. She stated the year end Directorate Assurance Statements would be provided to the Chief Executive prior to 30 April 2019, which would assist with the preparation of the Annual Governance Statement.

Mr Campbell asked for an update on Risk CR 10 (Risk of Industrial Relations Deteriorating), and Risk CR 11 (Actions/Injuries may occur if health and safety of service users and staff is not considered with particular focus on Fire Risk assessments).

With regard to Risk CR 10, Ms Carville stated assistance had been previously received from the Labour Relations Agency and it was hoped matters could now progress. She advised that Management were keen to set up a working group and embark on a series of meetings to progress a number of key matters.

With regard to Risk CR 11, Ms Carville advised the risk level had been elevated as progress to carry out remedial works had not been delivered as quickly as was originally anticipated, therefore the risk would not be reduced until actions arising from Building Control assessments are complete.

AGREED: **It was unanimously agreed to note the Corporate Risk Register report.**

AC/028/2019 **PROMPT PAYMENTS**

Read: Report dated 15 April 2019 from Mr K Montgomery, Assistant Director of Finance regarding Prompt Payment Statistics.
(Copy circulated)

AGREED: **It was unanimously agreed to note the above report regarding Prompt Payment Statistics.**

AC/029/2019 FRAUD AND WHISTLEBLOWING

Read: Report dated 15 April 2019 from Mr G Byrne, Audit Services Manager, regarding Fraud and Whistleblowing.
(Copy circulated)

It was noted 3 new potential fraud and whistleblowing cases had been reported since the last Meeting of the Audit Committee in January 2019.

AGREED: It was unanimously agreed to note the Report on Fraud and Whistleblowing.

AC/030/2019 DIRECT AWARD CONTRACT REGISTER (DAC)

Read: Report dated 14 April 2019 from Mr G Byrne, Audit Services Manager regarding the Direct Award Contract Register (DAC).
(Copy circulated)

AGREED: It was unanimously agreed to note the report regarding the Direct Award Contract Register.

AC/031/2019 UPDATE RE: AUDIT RECOMMENDATIONS

Read: Report dated 15 April 2019 from Mr G Byrne, Audit Services Manager providing an update on Audit Recommendations.
(Copy circulated).

AGREED: It was unanimously agreed to note the update on Audit Recommendations.

AC/032/2019 TIMETABLE – YEAR END ACCOUNTS

Read: Report dated 15 April 2019 from Mr G Byrne, Audit Services Manager regarding the timetable for Year End accounts.
(Copy circulated)

Mr Byrne said the Draft Year End Accounts would be presented at the next meeting of the Audit Committee in July 2019.

AGREED: It was unanimously agreed to note the timetable for Year End Accounts.

EXEMPT ITEMS

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

Agreed: On the proposal of Councillor Ruane seconded by Councillor Mulgrew, 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.

NIAO

AC/033/2019 NIAO AUDIT STRATEGY

Read: Newry Mourne and Down District Council Audit Strategy 2018-19.
(Copy circulated)

ASM

AC/034/2019 ASM SUMMARY / PROGRESS REPORT

Read: ASM Internal Auditors Summary/Progress Report.
(Copy circulated)

This item included:

Item 15 Validation – Performance Indicators

Item 16 Environmental Health

Item 17 Enterprise Employment & Regeneration

Item 18 HR Management Policies and Procedures

Item 19 Follow up 2017/18 Recommendations

AC/035/2019 ASM ANNUAL ASSURANCE REPORT

Read: Correspondence dated 12 April 2019 from ASM regarding the ASM Annual Internal Audit Assurance Report 2018/19.
(Copy circulated)

When the Committee came out of Closed Session, Ms Carville, reported the following decisions had been taken:

AC/033/2019 – NIAO Audit Strategy

AGREED: It was agreed to note the NIAO Audit Strategy.

AC/034/2019 - ASM Summary / Progress Report

- AGREED:** It was agreed to note the ASM Summary / Progress Report, including reports on:
- Validation of Performance Indicators
 - Environmental Health
 - Enterprise Employment and Regeneration
 - HR Management Policies and Procedures
 - Follow up on 2017/18 Recommendations

AC/035/2019 - ASM Annual Assurance Report

AGREED: It was agreed to note the ASM Annual Assurance Report.

CIRCULARS

AC/036/2019 CONSOLIDATED COUNCILLORS ALLOWANCES

Read: Circular LG 07/2019 from Department for Communities regarding Consolidated Councillor Allowances (Updated February 2019).
(Copy circulated)

Ms Carville assured Members that rates included in the above circular would be updated by the Council's Payroll Section accordingly.

Noted: It was agreed to note Circular LG 07/2019 from Department for Communities regarding Consolidated Councillor Allowances (updated February 2019).

**AC/037/2019 PARTNERSHIPS BETWEEN DEPARTMENTS AND
ARMS LENGTH BODIES
-NI CODE OF PRACTICE**

Read: Circular DAO 03/2019 from Department of Finance regarding Partnerships between Departments and Arm's Length Bodies – NI Code of Practice.
(Copy circulated)

Noted: It was agreed to note Circular DAO 03/2019 from Department of Finance regarding Partnerships between Departments and Arm's Length Bodies – NI Code of Practice.

AC/038/2019 **ACCOUNTS DIRECTION 2018/19**
NORTHERN IRELAND DISTRICT COUNCILS

Read: Circular LG 12/19 from Department for Communities regarding Accounts Direction 2018/19 – Northern Ireland District Councils.
(Copy circulated)

Ms Carville assured that Management would be following the Accounts Direction as above, and that Council's draft Accounts for 2018/19 would be presented at the Audit Committee Meeting in July 2019.

Noted: **It was agreed to note Circular LG 12/19 from Department for Communities regarding Accounts Direction 2018/19 – Northern Ireland District Councils.**

AC/039/2019 **DECLARATION OF ACCEPTANCE OF OFFICE**

Read: Circular LG 06/19 from Department for Communities regarding Declaration of Acceptance of Office.
(Copy circulated)

Councillor Casey raised concerns regarding the Code of Conduct and the implications for Councillors as they are required to sign up to it as part of their Declaration of Acceptance of office.

Noted: **It was agreed to note Circular LG 06/19 from Department for Communities regarding Declaration of Acceptance of Office.**

AC/040/2019 **TEMPLATE FOR COUNCILLORS ALLOWANCE RETURN**

Read: Circular LG 13/2019 from Department for Communities regarding Record of Councillors' and Committee Members' Allowances Funded by Council 2018/2019.
(Copy circulated)

Ms Carville explained that Council were obliged to have Councillors' Allowance Returns published annually (via the Councils' website) and advised this information would be circulated to Members in advance of making this public information.

Noted: **It was agreed to note Circular LG 13/2019 from Department for Communities regarding Record of Councillors' and Committee Members' Allowances Funded by Council 2018/2019.**

AC/041/2019

ANNUAL THEFT AND FRAUD REPORT 2017/18

Read: Circular from Department of Finance regarding Annual Theft and Fraud Report 2017/18.
(Copy circulated)

Noted: **It was agreed to note circular from Department of Finance regarding Annual Theft and Fraud Report 2017/18.**

Mr Campbell thanked the Members and Officers for their contribution over the past Council term.

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

For consideration at the Council Meeting to be held on Monday 3 June 2019.

Signed: **Ms D Carville**
Director of Corporate Services

Signed: **Mr J Campbell**
Independent Chairperson