

NEWRY MOURNE AND DOWN DISTRICT COUNCIL

Ref: AC/2025

**Minutes of Audit Committee Meeting held on Thursday 8 May 2025, at 2.00pm,
in the Mourne Room, Downshire Civic Centre, Downpatrick**

Chairperson: Ms B Slevin, Independent Chairperson

**In attendance
in Chamber:**

Councillor C Bowsie	Councillor O Hanlon
Councillor A Mathers	Councillor S O'Hare
Councillor G Sharvin	

In attendance via Teams:

Councillor L Devlin	Councillor T Howie
Councillor K Murphy	

**Officials in attendance
in Chamber:**

Mrs J Kelly, Director Corporate Services
Mr C Mallon, Director of Economy, Regeneration & Tourism
Mr A Patterson, Director Active & Healthy Communities
Mr G Byrne, Assistant Director of Finance & Performance
Mr C Sage, Assistant Director of Sustainability
Ms C Hughes, Head of Performance and Improvement (Acting)
Ms S Taggart, Democratic Services Manager
Mrs F Branagh, Democratic Services Officer

**Also in attendance
in chamber:**

Ms K Doey	NIAO
Mr S Wade	NIAO
Ms C Hagan	Sumer NI

AC/027/2025: APOLOGIES AND CHAIRPERSON'S REMARKS

Apologies were received from Mrs M Ward, Chief Executive, and Mrs S Murphy, Director of Sustainability & Environment.

AC/028/2025: DECLARATIONS OF INTEREST

Ms Hagan declared an interest in item 17 – Internal Audit Extension.

AC/029/2025: ACTION SHEET OF AUDIT COMMITTEE MEETING HELD ON 20 FEBRUARY 2025

Read: Action Sheet arising from Minutes of the Audit Committee Meeting held on Thursday 20 February 2025. **(Copy circulated)**

AC/071/2024:

In response to the Chairperson noting that training was still an outstanding item on the action sheet, Mrs Kelly advised that herself and Ms Taggart were currently sourcing training. She noted the potential change of membership of the Audit Committee given the upcoming AGM and advised that the item would remain on the action sheet until completed.

AC/015/2025: Update on NCCR:

Mrs Kelly advised that following the discussion that had occurred at the previous Audit Committee meeting, she had written to the Local Government Auditor to detail the site selection process that had taken place. She confirmed that the auditor was content with the detail that had been provided.

Mr Wade, on behalf of the local auditor, confirmed that Mrs Kelly had communicated with the auditor, and both were content with the response received.

AGREED: **On the proposal of Councillor O'Hare, seconded by Councillor Bowsie, it was agreed to note the Action Sheet for Audit Committee Meeting held on 20 February 2025.**

FOR CONSIDERATION

AC/030/2025: TO AGREE DATE AND START TIMES FOR 2025/2026

Read: Proposed dates and start times for Audit Committee meetings for 2025/2026. **(Copy circulated)**

Mr Byrne advised that the proposed date in September 2025 may require amendment as the Audit Office had a number of Audit Committees scheduled for that week. He advised that he would liaise with Ms Taggart to secure an alternative date and would communicate this in the coming weeks.

AGREED: **On the proposal of Councillor Mathers, seconded by Councillor Devlin, it was agreed to approve the dates and start times for Audit Committee meetings for 2025/2026 subject to amendment.**

AC/031/2025: AUDIT COMMITTEE TERMS OF REFERENCE AND TIMETABLE

Read: Report from Mr G Byrne, Assistant Director of Finance & Performance, regarding Audit Committee Terms of Reference and Timetable. **(Copy circulated)**

Mr Byrne advised that Terms of Reference should be updated annually, in line with best practice. He detailed that Appendix 1 of the Officer's Report detailed the highlighted amended Terms of Reference which had been guided by the self-assessment from the NI Audit Office as detailed at Appendix 2. He further advised that Appendix 3 outlined the timetable for the year ahead.

Ms Slevin noted the importance of the documents for the Committee and welcomed the updated Terms of Reference and work programme for the year ahead.

AGREED: **On the proposal of Councillor O'Hare, seconded by Councillor Mathers, it was agreed to approve the Audit**

Committee Terms of Reference and to note the timetable for the year ahead.

AC/032/2025: AUDIT COMMITTEE SELF-ASSESSMENT – NEW GUIDE

Read: Audit Committee self-Assessment – New Guide. **(Copy circulated)**

Mr Byrne advised that the new guide had been released in March 2025 from the NI Audit Office and a meeting was to be arranged with the Chairperson of the Audit Committee to populate the guide, which would then be circulated to Members for agreement. He advised that this would guide the self-assessment for the coming year.

Ms Slevin noted that it was a comprehensive document which would be used to feed into her annual report to evaluate the effectiveness of the Audit Committee.

AGREED: On the proposal of Councillor Bowsie, seconded by Councillor O'Hare, it was agreed to note the Audit Committee Self-Assessment – New Guide.

FOR NOTING

AC/033/2025: UPDATE OF MEMBERS INTERESTS

Read: Report from Mrs J Kelly, Director of Corporate Services, regarding Update of Members' Interests. **(Copy circulated)**

Mrs Kelly advised that this report was tabled every six months and had been updated following a request from the Democratic Services Manager for Members to update their Register of Interest, following which five Members had made amendments.

AGREED: On the proposal of Councillor Devlin, seconded by Councillor Bowsie, it was agreed to note the six-month review report.

AC/034/2025: LGA AUDIT REPORT 2024 - RECOMMENDATIONS

Read: Local Government Auditor Report 2024. **(Copy circulated)**

Mr Byrne advised that the report had been compiled by the Local Government Auditor and contained a number of recommendations that had applied to all Councils. He advised that unfortunately the report detailing Council's compliance, or working towards compliance, for each recommendation had not been included in the agenda. He advised that it had only been noticed prior to the meeting, therefore advised that the report would be tabled at the next Audit Committee meeting in order to give Members time to review the data.

AGREED: On the proposal of Councillor Bowsie, seconded by Councillor O'Hare, it was agreed to note that the report and update would be brought to the next Audit Committee due to an admin error.

PERFORMANCE – OPEN SESSION

AC/035/2025: PERFORMANCE IMPROVEMENT OBJECTIVES

Read: Report from Mr G Byrne, Assistant Director of Finance & Performance, regarding Draft Performance Improvement Objectives 2025 - 2026. **(Copy circulated)**

Ms Hughes advised Members that the draft Performance Improvement Plan had been tabled and agreed at Strategy, Policy & Resources Committee meeting in March 2025, and that the consultation on the objectives was scheduled to end on Friday 9 May. She confirmed that following the consultation period, the Performance Improvement Plan 2025/26 would be published by 30 June 2025.

The Chairperson thanked Ms Hughes and her team for the hard work that went into the documents and consultation.

AGREED: On the proposal of Councillor Bowsie, seconded by Councillor O'Hare, it was agreed to note the following:

- The five draft performance improvement objectives 2025 – 26, as outlined in Appendix 1 of the Officer's Report.
- The proposed approach and timetable for publishing the Performance Improvement Plan 2025 – 26, as outlined in Appendix 2, including approval to commence the consultation and engagement process on 14 March 2025.

CORPORATE SERVICES – OPEN SESSION

AC/036/2025: CORPORATE RISK REGISTER – CORPORATE SERVICES RISK REGISTER ALSO TO BE TABLED

Read: Report from Mrs J Kelly, Director of Corporate Services, regarding the Corporate Risk Register. **(Copy circulated)**

Mrs Kelly advised that the Corporate Risk Register had been reviewed by the Senior Management Team (SMT) at the end of April, utilising audit assurance statements to help inform the risks. She outlined that there were still 12 risks, seven red, four amber and one yellow, with no new risks having been added. She asked Members to note the change in risk allocation, noting the increased risk rating for the Planning section.

Mrs Kelly advised that the recent National Trust announcement had broken following the review of the risk register and as such, SMT had added some narrative to the risk register regarding the Mourne Mountain Gateway Project (MMGP), advising that this would be considered further when more information was available about next steps.

Councillor Bowsie noted that he had some concerns relating to the risk allocation given the recent National Trust announcement, stating that he believed that the risk register should contain more narrative given the level of uncertainty regarding the potential loss of investment.

Following a query from Councillor Bowsie on the amount spent to date on the project, Mr Mallon advised that he did not have that detail to hand but confirmed that he could collate the information and bring it back to a future Audit Committee meeting.

The Chairperson queried whether Mr Mallon had any data relating to spend that he could share today.

Mr Mallon advised that he did not want to speculate as to costs incurred, advising that Council would have incurred costs up to 1st May prior to the National Trust announcement that had yet to be invoiced and was unwilling to offer incomplete data given the public interest in the issue. He advised that he would action this and report back to a future Committee date.

Councillor Bowsie then asked the following questions:

- What assurance had been received from the National Trust that demonstrated commitment to the project to allow Council to spend money to date?
- What action had or would Council take to recoup costs to date from the National Trust?
- What steps had been taken to ascertain if the £30m investment could be secured for other projects within the District and was there a deadline associated with this?

Mr Mallon responded as follows:

- A condition of the contract for funding from Department for Economy (DfE) was that all parties had to enter into a Memorandum of Understanding (MOU) in respect of the project, with assurances having been provided to Council, the Department and funders to allow the letter of offer to be released.
- Mr Mallon advised he was not in a position to answer regarding plans to recoup the costs as that would be a matter for Council to decide on how to progress the matter.
- Meetings were scheduled with stakeholders regarding the BRCD funding and any potential to keep the £30m funding within the District, with answers hopefully forthcoming over the coming weeks

Councillor Hanlon welcomed the questions relating to the MMGP, stating that the risk of potentially losing £30m investment should not be overlooked by the Audit Committee. She noted that there appeared to be several untruths circulating as to how the funding could be spent by Council, stressing her understanding that there were requirements that had to be adhered to in order to secure the funds for the District. She stated that while she was unsure where the risk should fall within the grid, however, given that the situation was ongoing it should be as high a risk level as possible.

Mr Mallon accepted the point regarding the number of unknowns in relation to the situation at present, acknowledging that the uncertainties created a heightened level of risk. He advised that SMT would reconsider the risk register and table it at the next Audit Committee.

Councillor Hanlon queried whether the item should be set aside as a risk on its own, rather than incorporating the issue into the capital projects risk category.

Mr Mallon advised that the project had its own risk register and stated that this could be tabled for consideration, rather than incorporating the MMGP under the entirety of capital projects across Council.

Councillor Hanlon then noted her Party's concern if the risk was left until the next Audit Committee in July, stressing that she felt it needed to be dealt with quicker than that, given the potential detriment to Council and District. She queried whether the issue should be tabled at a Strategy, Policy & Resources Committee rather than waiting another quarter for an update.

Mrs Kelly stated that it should be tabled at the next Audit Committee but agreed that it could be tabled at either Strategy, Policy & Resources Committee, or full Council meeting in the interim.

The Chairperson advised that the risk register naturally sat within the Audit Committee remit, but agreed with the Members' rationale that given the risk the organisation was facing, the item could be tabled at the forthcoming Special Audit Committee in the coming weeks, as well as at other Committees that Officers and Members deemed appropriate.

Councillor Devlin and Howie acknowledged the uncertainty at the minute, and noted their anticipation for the updates that would be forthcoming following the stakeholder meetings Mr Mallon was due to attend.

Following request for clarity from the Chairperson regarding next steps, Mr Mallon stated that he hoped to report back to next week's Strategy, Policy & Resources Committee meeting regarding the latest discussions and outcomes with BRCD and DfE, which would inform the risk register to be tabled at the next Special Audit Committee meeting, but stressed the need for time to allow discussions to happen which would help inform next steps.

Councillor Bowsie queried the dates for any forthcoming meetings, to which Mr Mallon advised that there was a preliminary meeting with BRCD and DfE early next week.

Councillor Bowsie then noted the spend relating to the advanced flooding scheme, querying whether there was any feedback as to why a number of applicants did not meet the threshold.

Mr Mallon advised that he did not have the exact detail to hand but stated that there were a range of issues why the threshold had not been met, such as some applicants having received payouts from their insurance company and therefore becoming ineligible for the funds, but each application could have appealed through consultation with DfE who had full control over all decisions made.

AGREED:

On the proposal of Councillor Hanlon, seconded by Councillor Mathers, the following was agreed:

- **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.**
- **To note the revised Corporate Services Directorate Risk Register summary at Appendix 3 and detailed Corporate Services Directorate Risk Register at appendix 4.**

On the proposal of Councillor Hanlon, seconded by Councillor Mathers, the following was also agreed:

- **An update regarding the MMGP would be tabled at a Strategy, Policy & Resources Committee**

meeting to provide up to date information and evidence to allow a reassessment of the Risk

- The Corporate Risk Register would be tabled at the upcoming Special Audit Committee (date to be confirmed) following SMT reconsideration of the risks associated with the MMGP.
- A report to be brought back to next Audit Committee on the MMGP.

AC/037/2025: PROMPT PAYMENT STATISTICS

Read: Report from Mr G Byrne, Assistant Director of Finance & Procurement, regarding Prompt Payment Statistics **(Copy circulated)**

Mr Byrne outlined the report, noting that 93% of invoices had been paid within 30 days, with the average being paid within 15.41 days. He noted that there was an updated process where invoices without a PO number were taken monthly to SMT for consideration, which had an impact on the payment statistics.

AGREED: On the proposal of Councillor O'Hare, seconded by Councillor Devlin, it was agreed to note the Quarter 4 Prompt Payment Statistics 2024/25

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

Agreed: On the proposal of Councillor O'Hare, seconded by Councillor Mathers, it was agreed to exclude the public and press from the meeting during the following items 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 O'Hare, seconded by Councillor Mathers, it was agreed to come out of Closed Session.

The Chairperson advised the following had been agreed whilst in closed session:

CORPORATE SERVICES (CLOSED SESSION)

AC/038/2025: UPDATE ON AUDIT RECOMMENDATIONS

Read: Report from Mr G Byrne, Assistant Director of Finance & Performance, regarding an Update on Audit Recommendations **(Copy circulated)**

AGREED: On the proposal of Councillor Bowsie, seconded by Councillor O'Hare, it was agreed to note the progress in implementing both internal and external audit recommendations.

Councillor Sharvin joined the meeting during the above discussion – 2.45pm

AC/039/2025: DIRECT AWARD CONTRACTS

Read: Report from Mrs J Kelly, Director of Corporate Services, regarding Direct Award Contracts. **(Copy circulated)**

AGREED: On the proposal of Councillor Sharvin, seconded by Councillor Bowsie, it was agreed to note Quarter 4 AND Financial Year End of 31 March 2025 update in relation to Direct Award Contracts.

Councillor Howie left the meeting during the above discussion – 3.13pm

AC/040/2024: PROCUREMENT ACTION PLANS

Read: Report Mrs J Kelly, Director of Corporate Services, regarding Procurement Action Plans. **(Copy circulated)**

AGREED: On the proposal of Councillor Sharvin, seconded by Councillor O'Hare, it was agreed to note the update and progress in relation to the Directorate Procurement Action Plans.

AC/041/2025: UPDATE ON FRAUD AND RAISING CONCERNS

Read: Report from Mr G Byrne, Assistant Director of Finance & Performance, regarding Fraud and Raising Concerns Update. **(Copy circulated)**

AGREED: On the proposal of Councillor Bowsie, seconded by Councillor O'Hare, it was agreed to note the following:

- The update in relation to Fraud and Raising Concerns cases detailed at Appendix 1 of the Officers Report
- The progress on actions arising from the NIAO Internal Fraud Risk Self-Assessment
- The update in relation to the National Fraud Initiative

NIAO (CLOSED SESSION)

AC/042/2025: AUDIT STRATEGY 2024/2025

Read: Audit Strategy 2024-2025. **(Copy circulated)**

AGREED: On the proposal of Councillor Mathers, seconded by Councillor Devlin, it was agreed to note the contents of the Audit Strategy for 2024/25

INTERNAL AUDIT (CLOSED SESSION)

Having previously declared an interest in the item, Ms Hagan left the room for discussion on the following item – 3.46pm

AC/043/2025: INTERNAL AUDIT EXTENSION

Read: Report from Mr G Byrne, Assistant Director of Finance & Performance. **(Copy circulated)**

AGREED: On the proposal of Councillor Sharvin, seconded by Councillor Hanlon, it was agreed to approve the first one-year extension period to allow work to commence on the third year of the four-year Internal Audit Plan.

Ms Hagan rejoined the meeting – 3.48pm

AC/044/2025: SUMER NI SUMMARY REPORT

Read: Sumer NI Summary Report **(Copy circulated)**

AGREED: On the proposal of Councillor Sharvin, seconded by Councillor O'Hare, it was agreed to note the Sumer NI Summary Report

AC/045/2025: INTERNAL AUDIT PLAN 2025/26

Read: Internal Audit Plan 2025/26. **(Copy circulated)**

AGREED: On the proposal of Councillor Bowsie, seconded by Councillor Mathers, it was agreed to approve the Internal Audit Plan 2025/26

AC/046/2025: FUEL MANAGEMENT REPORT

Read: Fuel Management Report. **(Copy circulated)**

AGREED: On the proposal of Councillor Sharvin, seconded by Councillor O'Hare, it was agreed to note the Fuel Management Report

Cllr Devlin left the meeting during the above discussion – 4.35pm

AC/047/2025: PERFORMANCE DATA AND VALIDATIONS

Read: Performance Data and Validations Report. **(Copy circulated)**

AGREED: On the proposal of Councillor Sharvin, seconded by Councillor O'Hare, it was agreed to note the Performance Data and Validations Report

AC/048/2025: **LABOUR MARKET PARTNERSHIPS**

Read: Labour Market Partnerships Report. **(Copy circulated)**

AGREED: On the proposal of Councillor Sharvin, seconded by Councillor O'Hare, it was agreed to note the Labour Market Partnerships Report

AC/049/2025: **SUMER NI INTERNAL AUDIT CHARTER**

Read: Sumer NI Internal Audit Charter. **(Copy circulated)**

AGREED: On the proposal of Councillor O'Hare, seconded by Councillor Sharvin, it was agreed to note the Sumer NI Internal Audit Charter

CIRCULARS

AC/050/2025: **CIRCULAR LG 12/2025 – CONSOLIDATED COUNCILLOR ALLOWANCES**

Read: Circular LG 12/2025 – Consolidated Councillor Allowances Circular. **(Copy circulated)**

AGREED: On the proposal of Councillor Mathers, seconded by Councillor Bowsie, it was agreed to note the Consolidated Councillor Allowances Circular

There being no further business the meeting concluded at 4.48pm

For consideration at the Council Meeting to be held on Monday 2 June 2025.

Signed: **Ms J Kelly**
Director Corporate Services

Signed: **Ms B Slevin**
Independent Chairperson