

NEWRY MOURNE AND DOWN DISTRICT COUNCIL

Minutes of Audit Committee Meeting held on Thursday 22 September 2022 in the Mourne Room Downshire Civic Centre Downpatrick and via Microsoft Teams.

Chairperson: Ms B Slevin Independent Chairperson

In attendance: **(Committee Members)**
Councillor P Byrne via Teams
Councillor C Casey via Teams
Councillor L Devlin via Teams
Councillor A Lewis via Teams
Councillor D McAteer via Teams
Councillor D Murphy via Teams
Councillor K Owen via Teams

Officials in attendance: Ms M Ward Chief Executive
Mr A Cassells Director Environment & Sustainability
Mr C Mallon Director Enterprise Regeneration & Tourism
Mr G Byrne Assistant Director Finance & Performance
Ms C Hughes Head of Performance (Acting)
Ms L Dillon Democratic Services Officer
Ms C McAteer Democratic Services

Also in attendance: Ms C Hagan ASM
Ms D McKim NIAO via Teams
Ms K Costley NIAO via Teams

AC/069/2022: APOLOGIES AND CHAIRPERSON'S REMARKS

No apologies.

AC/070/2022: DECLARATIONS OF INTEREST

No declarations of interest.

**AC/071/2022: ACTION SHEET ARISING FROM:
AUDIT COMMITTEE MEETING: 28 APRIL 2022**

Read: Action Sheet arising from Minutes of the Audit Committee Meeting held on Tuesday 28 April 2022.
(Copy circulated)

Note: This item was deferred from the Audit Committee Meeting held on 19 July 2022.

AGREED: On the proposal of Councillor McAteer seconded by Councillor Byrne it was agreed to note the Action Sheet for Audit Committee Meeting held on Tuesday 28 April 2022.

**AC/072/2022: ACTION SHEET ARISING FROM:
AUDIT COMMITTEE MEETING: 19 JULY 2022**

Read: Action Sheet arising from Minutes of the Audit Committee Meeting held on Tuesday 19 July 2022.
(Copy circulated)

AGREED: On the proposal of Councillor McAteer seconded by Councillor Owen it was agreed to note the Action Sheet for Audit Committee Meeting held on Tuesday 19 July 2022.

AC/073/2022: AUDIT COMMITTEE ANNUAL REPORT 2021/22

Read: Audit Committee Annual Report 2021/22 from Ms B Slevin Independent Chair of Audit Committee.
(Copy circulated)

Note: This item was deferred from the Audit Committee Meeting held on 19 July 2022.

Ms Slevin explained the Annual Report summarised key audit activities and issues that arose during the year therefore informing the Annual Governance Statement as included in the Annual Accounts. She said based on feedback the Council can be reassured the Audit Committee is working effectively with an unqualified opinion received from NI Audit Office and a satisfactory assurance from Internal Audit.

AGREED: On the proposal of Councillor Devlin seconded by Councillor Byrne It was agreed to note the Audit Committee Annual Report 2021/22.

CORPORATE SERVICES (OPEN SESSION)

AC/074/2022: CORPORATE RISK REGISTER

Read: Report dated 19 July 2022 from Ms D Carville, Director of Corporate Services regarding the Corporate Risk Register including the Neighbourhood Services Directorate Risk Register. **(Copy circulated)**

Note: This item was deferred from the Audit Committee Meeting held on 19 July 2022.

The Corporate Risk Register had been reviewed by Senior Management Team on 14 June 2022 and he gave an overview on all 10 No. Corporate Risks as detailed at Appendix 1.

CR 1 – Capital Investment Programme for District

- residual risk score increased due to a difficult market for Contractors; reliance on a small number of suppliers; utility price increases; high inflation increasing costs.

CR 7 – Economic Development Programme & Regeneration/Inward investment

- residual risk score increased due to inflation pressures; political uncertainty.

CR 9 - Economic shocks emerging from Covid 19 pandemic

- residual risk score increased due to Covid 19 and rising costs of living/inflation pressure.

AGREED: On the proposal of Councillor Casey 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 NS Directorate Risk Register at Appendix 3.

AC/075/2022: CORPORATE RISK REGISTER

Read: Report dated 22 September 2022 from Mr G Byrne Assistant Director Finance & Performance, regarding the Corporate Risk Register, including the Corporate Services Directorate Risk Register. **(Copy circulated)**

Mr Byrne explained the Corporate Risk Register had been reviewed and updated by the Senior Management Team on 14 September 2022 and added that a new risk had been added to the Register.

He referred to the summary of risks as outlined in Appendix 1 and said no amendments had been made to the residual risk scores.

He referred to the new risk, CR 11, regarding the threat of industrial action and confirmed Management were currently liaising with both members and Trade Unions to achieve a successful outcome.

He also referred to the Risk Register for the Corporate Services Directorate, which was being presented to the Audit Committee for Noting.

AGREED: **On the proposal of Councillor McAteer seconded by Councillor Murphy it 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)**

AC/076/2022: **PROMPT PAYMENT STATISTICS**

Read: Report dated 22 September 2022 from Mr G Byrne Assistant Director Finance & Performance regarding Prompt Payment Statistics – Quarter 1 2022-23. **(Copy circulated)**

Mr Byrne explained percentage statistics were down from the previous 2021/22 year which was due to the introduction of a new purchase to pay system. He said all processes were now in place with further staff training being provided and that statistics should improve going forward.

AGREED: **On the proposal of Councillor Casey seconded by Councillor Murphy it was agreed to note the Quarter 1 2022-23 Prompt Payment statistics.**

AC/077/2021: **A) NMDDC STATEMENT OF ACCOUNTS**
B) ANNUAL GOVERNANCE STATEMENT

Read: Report dated 22 September 2022 from Mr G Byrne Assistant Director Finance & Performance regarding NMDDC Statement of Accounts and Annual Governance Statement. **(Copy circulated)**

Mr Byrne said the Draft Statement of Accounts were presented to the Audit Committee Meeting on 19 July 2022. He explained the NI Audit Office audit for year end 31 March 2022 is almost at completion and added that arising from the NIAO Report to Those Charged with Governance, that no material year end adjustments have been reported therefore no changes to the figures presented to Committee in July 2022.

He referred to a number of disclosure issues raised by NI Audit Office which have been included in the new Accounts, and 2 non-adjusting errors for which it is recommended not to include in the Accounts as they are not material to overall figures.

He added that following completion of the NI Audit Office audit, that should any material issues arise, or adjustments be required to the Annual Governance Statement, that Members will be informed.

AGREED: **On the proposal of Councillor McAteer seconded by Councillor Casey it was agreed, subject to approval of the NI Audit Office Report to Those Charged with Governance, to approve the Statement of Accounts for year ending 31 March 2022 for signing by the Chief Executive and Chairperson.**

NIAO (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 Owen seconded by Councillor McAteer 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/078/2022: **DRAFT**
REPORT TO THOSE CHARGED WITH GOVERNANCE

Read: Correspondence dated regarding the Draft Report to Those Charged with Governance.
(Copy circulated)

AC/079/2022: **PERFORMANCE UPDATE**

Verbal update from NIAO regarding performance.

CORPORATE SERVICES (CLOSED SESSION)

**AC/080/2022: UPDATE
RE: AUDIT RECOMMENDATIONS**

Read: Report dated 22 September 2022 from Mr G Byrne
Assistant Director Finance & Performance regarding an
update on Audit Recommendations. **(Copy circulated)**

AC/081/2022: DIRECT AWARD CONTRACTS

Read: Report dated 22 September 2022 from Mr G Byrne
Assistant Director Finance & Performance, regarding the
Quarter 2 update on Direct Award Contracts (DACs) /
Single Tender Actions (STAs). **(Copy circulated)**

AC/082/2022: FRAUD & WHISTLEBLOWING

Read: Report dated 22 September 2022 from Mr G Byrne
Assistant Director Finance & Performance, regarding an
update on Fraud and Raising Concerns.
(Copy circulated)

AC/083/2022: PROCUREMENT ACTION PLANS

Read: Report dated 22 September 2022 from Mr G Byrne
Assistant Director Finance & Performance, regarding
Procurement Action Plans. **(Copy circulated)**

INTERNAL AUDIT (CLOSED SESSION)

**AC/084/2022: ASM INTERNAL AUDIT
SUMMARY REPORT**

Read: ASM Internal Audit Summary Report dated 22 September
2022. **(Copy circulated)**

**AC/085/2022: ASM INTERNAL AUDIT
STRATEGY AND ACTION PLAN**

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

AC/086/2022: NMDDC TOIL PAYMENT REVIEW

Read: ASM Internal Audit regarding NMDDC Toil Payment Review.
(Copy circulated)

AC/087/2022: INFORMATION GOVERNANCE AUDIT

Read: ASM Internal Audit – Audit Fieldwork re: Information Governance dated 21 September 2022.
(Copy circulated)

On the proposal of Councillor Byrne seconded by Councillor Casey 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/078/2022: Draft Report to Those Charged with Governance

AGREED: On the proposal of Councillor Casey seconded by Councillor Byrne it was agreed to note the Report and agree not to make any changes in respect of unadjusted mis-statements.

AC/079/2022: Performance Update

AGREED: On the proposal of Councillor McAteer seconded by Councillor Devlin it was agreed to note the Performance Audit Update.

AC/080/2022: Update re: Audit Recommendations

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

AC/081/2022: Direct Award Contracts

AGREED: On the proposal of Councillor McAteer seconded by Councillor Murphy it was agreed to note the Quarter 2 Update in relation to Single Tender Actions.

AC/082/2022: **Update re: Fraud & Whistleblowing**

AGREED: On the proposal of Councillor Devlin seconded by Councillor Murphy 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 progress on actions arising from the NIAO Internal Fraud Risk Self-Assessment.

AC/083/2022: **Procurement Action Plans**

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

AC/084/2022: **ASM Internal Audit – Summary Report**

AGREED: On the proposal of Councillor Murphy seconded by Councillor Devlin it was agreed to note the Report.

AC/085/2022: **ASM Internal Audit – Strategy and Annual Plan**

AGREED: On the proposal of Councillor Casey seconded by Councillor Murphy it was agreed to approve the updated Audit Plan.

AC/086/2022: **NMDDC Toil Payment Review**

AGREED: On the proposal of Councillor McAteer seconded by Councillor Owen it was agreed to note the Report.

AC/087/2022: **Information Governance Audit**

AGREED: On the proposal of Councillor Murphy seconded by Councillor McAteer It was agreed to note the Report.

PERFORMANCE (OPEN SESSION)

AC/088/2022: ASSESSMENT OF PERFORMANCE 2021-22

Read: Report dated 22 September 2022 from Mr G Byrne Assistant Director Finance & Performance. **(Copy circulated)**

Ms Hughes explained the Assessment of Performance monitors the Council's achievement of improvement objectives for 2021-22.

She said the Assessment of Performance 2021-22 Report was approved at the Strategy Policy & Resources Committee Meeting on 15 September 2022.

Agreed: On the proposal of Councillor Lewis seconded by Councillor McAteer it was agreed to note the Assessment of Performance 2021-22, including the summary document 'Our Performance Looking Back Going Forward'.

There being no further business the meeting concluded at 3.00 pm.

For consideration at the Council Meeting to be held on Monday 03 October 2022.

Signed: Mr G Byrne
Assistant Director Finance & Performance

Signed: Ms B Slevin
Independent Chairperson