

## **NEWRY MOURNE AND DOWN DISTRICT COUNCIL**

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### **Minutes of Audit Committee Meeting held on Thursday 09 January 2020 at 2.00pm in the Mourne Room, Downshire Estate, Downpatrick**

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**Chairperson:** Ms B Slevin Independent Chairperson

**In Attendance:** **(Committee Members)**

Councillor P Byrne  
Councillor W Clarke  
Councillor O Hanlon  
Councillor C Enright  
Councillor L Devlin  
Councillor G Sharvin  
Councillor A Lewis  
Councillor K Owen  
Councillor M Ruane

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

#### **AC/001/2020: APOLOGIES AND CHAIRPERSON'S REMARKS**

The following apology was received:

Councillor M Gibbons

#### **AC/002/2020: DECLARATIONS OF INTEREST**

Ms C Hagan ASM declared an interest in Item 14 PCSP Internal Audit.

#### **AC/003/2020: ACTION SHEET ARISING FROM AUDIT COMMITTEE MEETING – TUESDAY 24 SEPTEMBER 2019**

Read: Action Sheet arising out of Minutes of Audit Committee  
Meeting held on Tuesday 24 September 2019.  
**(Copy circulated)**

The following issues were raised arising out of the above Action Sheet:

**AC/047/2019 – Members Training**

**Noted:** Officers to ensure relevant training is provided going forward for new Members.

**AC/067/2019 – Statement of Accounts 2018-19**

**AGREED:** Action Sheet to be amended to reflect that the Statement of Accounts 2018-19 was ‘approved’ at the Audit Committee Meeting held in September 2019, as opposed to being ‘Noted’.

**AGREED:** On the proposal of Councillor Owen seconded by Councillor Byrne it was agreed to approve the Action Sheet arising out of the Audit Committee Meeting held on Tuesday 24 September 2019.

**CORPORATE SERVICES**

**AC/004/2020: CORPORATE RISK REGISTER**

Read: Report dated 09 January 2020 from Mr G Byrne Audit Services Manager regarding the Corporate Risk Register. **(Copy circulated)**

Ms Carville Director Corporate Services, presented the above report.

She advised no new risks had been added to the Register since September 2019 and the Register had been reviewed by the Senior Management Team in December 2019. She highlighted those risks where changes had been made.

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

**AC/005/2020: DIRECT AWARDS CONTRACTS**

Read: Report dated 09 January 2020 from Mr G Byrne, Audit Services Manager regarding the Direct Awards Contacts / Single Tender Actions. **(Copy circulated)**

Mr G Byrne Audit Services Manager, presented the above report.

In response to comments raised regarding the increase in Direct Award Contracts and the rise in Service Level Agreements, it was noted Officials

were looking at how to best implement the internal audit recommendations around the tourism contracts in particular.

It was also noted that it would take approximately a further 6 months to progress the work ongoing on the award of significant contracts.

With regard to protocol around Single Tender exercises, it was noted a protocol was built into the Council's Procurement Policy with relevant staff training provided with regard to awarding contracts in this manner.

**Agreed:** **It was unanimously agreed to note report dated 09 January 2020 from Mr G Byrne Audit Services Manager regarding Direct Awards Contracts/Single Tender Actions.**

**AC/006/2020: PROMPT PAYMENT STATISTICS**

Read: Report dated 09 January 2020 from Mr G Byrne Audit Services Manager regarding Prompt Payment Statistics. **(Copy circulated)**

Mr G Byrne Audit Services Manager presented the above report.

**Agreed:** **It was agreed to note the Report on 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 Owen 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.**

**AC/007/2020: UPDATE RE: AUDIT RECOMMENDATIONS**

Read: Report dated 09 January 2020 from Mr G Byrne Audit Services Manager regarding an update on Internal Audit Recommendations. **(Copy circulated)**

**AC/008/2020: FRAUD & WHISTLEBLOWING**

Read: Report dated 09 January 2020 from Mr G Byrne, Audit Services Manager regarding Fraud and Whistleblowing. **(Copy circulated)**

**INTERNAL AUDIT (CLOSED SESSION)**

**AC/009/2020: ASM SUMMARY REPORT**

Read: ASM Summary Progress Report for period 25 September 2019 – 09 January 2020. **(Copy circulated)**

**AC/010/2020: ASM INTERNAL AUDIT PLAN 2019-2020 (REVISED)**

Read: ASM revised draft Internal Audit Plan. **(Copy circulated)**

**AC/011/2020: ASM INTERNAL AUDIT REPORT  
- LEISURE (TIME RECORDING)**

Read: ASM Internal Audit re: Audit Fieldwork 2019/20 – Leisure Services – time recording. **(Copy circulated)**

**AC/012/2020: ASM INTERNAL AUDIT REPORT  
- CONTRACT MANAGEMENT**

Read: ASM Internal Audit re: Audit Fieldwork 2019/20 – Contract Management. **(Copy circulated)**

**AC/013/2020: ASM INTERNAL AUDIT REPORT  
- TOURISM (SERVICE LEVEL AGREEMENTS)**

Read: ASM Internal Audit re: Audit Fieldwork 2019/20 – Tourism Service Level Agreements. **(Copy circulated)**

(3.00pm: Ms C Hagan ASM left the meeting)

**AC/014/2020: INTERNAL AUDIT RE: PCSP EXPENDITURE**

Read: Internal Audit re: PCSP Expenditure 2019/2020. **(Copy circulated)**

(3.10pm: Ms C Hagan ASM re-joined the meeting)

**NIAO (CLOSED SESSION)**

**AC/015/2020: NIAO  
2018-19 FINAL REPORT TO THOSE CHARGED WITH  
GOVERNANCE**

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Read: Northern Ireland Audit Office 2018-19 Final Report to Those Charged with Governance. **(Copy circulated)**

**AGREED: On the proposal of Councillor Devlin seconded by Councillor Lewis it was agreed to come out of Closed Session.**

When the Committee came out of Closed Session the Director of Corporate Services reported the following decisions had been taken on the items discussed:

**AC/007/2020 - Update re: Audit Recommendations**

**Agreed: On the proposal of Councillor Sharvin, seconded by Councillor Hanlon, it was agreed:-**

- (a) To note the Report from the Audit Services Manager providing an update on Internal Audit recommendations and NIAO recommendations.**
- (b) To continue to include NIAO recommendations in the Risk profile report going forward.**
- (c) To ensure the relevant Officer to be in attendance at the Audit Committee Meeting in April 2020 to provide an update to Members regarding IT Disaster Recovery.**
- (d) A copy of the Report from the External Planning Consultant to be provided to the Audit Committee Members when completed.**

**AC/008/2020: - Fraud and Whistleblowing**

**AGREED: It was agreed to note Report dated 09 January 2020 regarding Fraud & Whistleblowing.**

**AC/009/2020: - ASM Summary/ Progress Report**

**AGREED:** It was agreed to note the ASM Summary/Progress Report for period 25 September 2019 – 09 January 2020.

**AC/010/2020: - ASM Internal Audit Plan 2019-2020 (Revised)**

**AGREED:** On the proposal of Councillor Enright seconded by Councillor Byrne, it was agreed to approve the revised ASM 20192020 Internal Audit Plan.

**AC/011/2020: - ASM Internal Audit Report  
Re: Leisure (Time Recording)**

**AGREED:** It was agreed to defer the ASM 2019-20 Report on Leisure Services – time recording, to the next Audit Committee Meeting to be held on Thursday 23 April 2020.

**AC/012/2020:- ASM Internal Audit Report  
- Contract Management**

**AGREED:** It was agreed to defer the ASM 2019-20 Report on Contract Management, to the next Audit Committee Meeting to be held on Thursday 23 April 2020.

**AC/013/2020:- ASM Internal Audit Report re: Tourism  
- Service Level Agreements**

**AGREED:** It was agreed to note ASM Internal Audit 2019/20 – Tourism Service Level Agreements.

**AC/014/2020:- Internal Audit re: PCSP EXPENDITURE**

**AGREED:** It was agreed to note the Internal Audit regarding PCSP expenditure.

**AC/015/2020: – NIAO 2018-19 Report to Those Charged with Governance**

**AGREED:** On the proposal of Councillor Byrne seconded by Councillor Sharvin it was agreed to accept the NIAO 2018-19 Final Report to Those Charged with Governance.

## **NIAO (OPEN SESSION)**

**AC/016/2020: NIAO ANNUAL AUDIT LETTER 2018-2019**

Read: Correspondence dated 20 December 2019 from the Northern Ireland Audit Office re Annual Audit Letter 2018-2019. **(Copy circulated)**

Mr T Wilkinson NIAO presented the Annual Audit letter.

He said the Annual Audit Letter was a publicly available document which highlighted work carried out by NIAO. He said it contained an unqualified audit opinion on the Council's financial statements.

He noted that contained within the document were recommendations to address Procurement issues, and he said NIAO were satisfied proper arrangements were in place to secure economy, efficiency and effectiveness. He commented on Governance and Absenteeism adding that the figures for average absence days within Council had dropped and that NIAO would be producing a report on sickness absence across local and central Government.

**AGREED: It was unanimously agreed to note the NIAO Annual Audit Letter 2018-2019.**

## **PERFORMANCE**

**AC/017/2020: MID YEAR ASSESSMENT - PERFORMANCE IMPROVEMENT PLAN 2019-20**

Read: Report dated 09 January 2020 from Mr J McBride Assistant Director Community Planning and Performance regarding an overview of the Council's progress in implementing the performance improvement objectives between April – September 2019. **(Copy circulated)**

**Agreed: It was agreed to note the Mid Year Assessment – Performance Improvement Plan 2019-2020 as approved at the Strategy Performance & Resources Committee Meeting held in September 2019.**

**AC/018/2020: NIAO AUDIT AND ASSESSMENT REPORT 2019-2020**

Read: Report dated 09 January 2020 from Mr J McBride Assistant Director Community Planning and Performance providing an overview of findings from the Improvement Audit and Assessment 2019-20 carried out by the Northern Ireland Audit Office. **(Copy circulated)**

Mr T Wilkinson NIAO presented the above Report.

He said this was the first year NIAO had given an opinion on any of the Councils in relation to performance improvement. He referred to Page 6 of the document which outlined proposals for improvement in relation to good practice in terms of the “improvement objectives”, as some objectives appeared to be set at a high level. He also added some measures of success underpinning projects were not clearly defined adding that more specific targets could be assigned.

He referred to Page 9 and 10 of the document, which set out a positive unqualified NIAO audit opinion for Newry Mourne and Down District Council.

**AGREED:** **It was agreed to note the NIAO Audit and Assessment Report 2019-20.**

### **CIRCULARS**

**AC/019/2020:** **COUNCILLORS' ALLOWANCES GUIDANCE FOR DISTRICT COUNCILS IN NORTHERN IRELAND**

Read: Circular LG23/2019 - Correspondence dated 27 September 2019 from Department for Communities regarding Consolidated Guidance on Councillor Allowances – updated September 2019. **(Copy circulated)**

**AGREED:** **It was agreed to note correspondence from Department for Communities regarding Consolidated Guidance on Councillor Allowances – updated September 2019.**

**AC/020/2020:** **REIMBURSMENT OF TRAVEL & SUBSISTENCE EXPENSES**

Read: Circular LG/25/2019 - Correspondence dated 21 October 2019 from Department for Communities regarding Article 19 – Application re: Reimbursement of Travel & Subsistence Expenses. **(Copy circulated)**

**AGREED:** **To note the correspondence from Department for Communities regarding Article 19 – Application re: Reimbursement of Travel & Subsistence Expenses.**

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

For consideration at the Council Meeting to be held on Monday 03 February 2020.

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

**Signed:** **Ms B Slevin**  
**Independent Chairperson**