

**NEWRY MOURNE AND DOWN DISTRICT COUNCIL**

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**Minutes of Audit Committee Meeting held on Wednesday 18 January 2023 in the Mourne Room Downshire Civic Centre Downpatrick and via Microsoft Teams.**

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**Chairperson:** Ms B Slevin Independent Chairperson  
(Via Teams)

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

**Officials in attendance:** Mrs M Ward Chief Executive  
Mrs J Kelly Director Corporate Services  
Mr A Cassells Director Environment &  
Sustainability  
Mr G Byrne Assistant Director Finance &  
Performance  
Ms C Hughes Head of Performance  
(Acting)  
Ms E Cosgrove Head of Compliance  
Ms S McConville Procurement Manager  
(Acting)  
Ms S Taggart Democratic Services  
Manager  
Ms L Dillon Democratic Services Officer

**Also in attendance:** Ms C Hagan ASM via Teams  
Ms J McGuckin ASM via Teams  
Ms K Costley NIAO via Teams

**AC/001/2023: APOLOGIES AND CHAIRPERSON'S REMARKS**

An apology was received from Councillor G Kearns.

**AC/002/2023: DECLARATIONS OF INTEREST**

No declarations of interest.

**AC/003/2023: ACTION SHEET ARISING FROM:  
AUDIT COMMITTEE MEETING  
THURSDAY 22 SEPTEMBER 2022**

Read: Action Sheet arising from Minutes of the Audit Committee Meeting held on Thursday 22 September 2023.  
**(Copy circulated)**

**AGREED: On the proposal of Councillor Murphy seconded by Councillor Devlin it was agreed to note the Action Sheet for Audit Committee Meeting held on Thursday 22 September 2022.**

**CORPORATE SERVICES (OPEN SESSION)**

**AC/004/2023: CORPORATE RISK REGISTER**

Read: Report dated 18 January 2023 from Ms J Kelly Director of Corporate Services regarding the Corporate Risk Register including the Enterprise Regeneration & Tourism Directorate Risk Register. **(Copy circulated)**

Mr Byrne said the Corporate Risk Register had been reviewed by Senior Management Team on 05 January 2023. He referred to the overview of the 11 Corporate Risks as detailed at Appendix 1 pointing out change to the scores on the following risks:

**CR 6** – score has lowered  
**CR 11** – score has lowered

He referred to the ERT Directorate Risk Register explaining directorate risk registers are tabled at Audit Committee quarterly, on a rotational basis.

**AGREED: On the proposal of Councillor McAteer seconded by Councillor Murphy 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 ERT Directorate Risk Register at Appendix 3.**

**AC/005/2023: PROMPT PAYMENT STATISTICS**

Read: Report dated 18 January 2023 from Mr G Byrne Assistant Director Finance & Performance regarding Prompt Payment Statistics – Quarter 2 and Quarter 3 2022-2023. **(Copy circulated)**

Mr Byrne referred to the new Purchase to Pay system which went live from January 2022 during which up to the period June 2022, two systems were running side by side. Since then he said significant progress had been made and he explained figures as follows:

**Quarter 2**

- 88% of invoices were paid within 30 days
- 42% paid within 10 days
- average of 26 days within which to pay suppliers

**Quarter 3 (up to 31 December 2022)**

- 91% of invoices paid within 30 days
- 51% paid within 10 days
- average of 26 days within which to pay suppliers

He said the Department would aim to reduce the number of invoices paid outside the payment period of 30 days and reduce the average days with which to pay suppliers but that statistics were positive since the introduction of the new Purchase to Pay system.

**AGREED: On the proposal of Councillor McAteer seconded by Councillor Devlin it was agreed to note the Quarter 2 and Quarter 3 2022-23 Prompt Payment statistics.**

**AC/006/2023: MEMBERS' REGISTER OF INTERESTS**

Read: Report dated 18 January 2023 from Ms J Kelly Director of Corporate Services regarding Members' Register of Interests. **(Copy circulated)**

Ms Kelly presented the Report on Members' Register of Interests which was for information purposes and added that 4 new Councillors had now joined the Council.

**AGREED: On the proposal of Councillor Murphy seconded by Councillor McAteer it was agreed to note the 6 month review Report on Members' Register of Interests.**

## **NIAO (OPEN SESSION)**

**AC/007/2023:            ANNUAL AUDIT LETTER 2021-22**

Read:                      NIAO Annual Audit Letter 2021-22. **(Copy circulated)**

Ms Costley presented the NIAO Annual Audit Letter 2021-22 which she said sets out the results of the Audit Office work over the course of the year, taking into account work on the external audit of the Annual Report and Accounts, as certified in September 2022, work to establish that Council has proper arrangements in place, and work on performance improvement.

She referred to key statistics and highlighted the following:

Absence statistics – these have increased which was not unusual due to the impact of covid however the Council need to ensure absence is properly managed.

Unused reserves – importance that plans are in place for unused reserves and good basis is provided on projections going forward.

Ms Slevin asked for information on measures to ensure no further increase in staff absence, adding she was aware increases in staff absence was also currently an issue in other Councils.

Ms Kelly explained procedures were in place to deal with staff absence. She said staff absence statistics were regularly reviewed by Senior Management across all the directorates and Council as a whole, and assured this issue would be closely monitored over the coming months.

**AGREED:                      On the proposal of Councillor Murphy seconded by Councillor McAteer it was agreed to note the NIAO Annual Audit Letter 2021-22.**

## **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 McAteer seconded by Councillor Lewis 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.**

**On the proposal of Councillor Bowsie seconded by Councillor McAteer 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/008/2023: FINAL  
– NIAO REPORT TO THOSE CHARGED WITH  
GOVERNANCE**

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Read: Letter dated 02 November 2022 regarding the Final Report to Those Charged with Governance and Annual Audit Letter for year ended 31 March 2022.  
**(Copy circulated)**

**AGREED: On the proposal of Councillor Devlin seconded by Councillor Murphy it was agreed to note the Final Report to Those Charged with Governance.**

**AC/009/2023: NIAO AUDIT FEES**

Read: Letter dated 05 December 2022 from NIAO regarding changes to audit approach for the 2022-23 audit cycle.  
**(Copy circulated)**

**AGREED: On the proposal of Councillor Bowsie seconded by Councillor Devlin it was agreed to note NIAO letter dated 05 December 2022 regarding changes to audit approach for the 2022-23 audit cycle.**

#### **CORPORATE SERVICES (CLOSED SESSION)**

**AC/010/2023: UPDATE  
RE: AUDIT RECOMMENDATIONS**

Read: Report dated 18 January 2023 from Ms E Cosgrove Head of Compliance regarding an update on Audit Recommendations. **(Copy circulated)**

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

**AC/011/2023: DIRECT AWARD CONTRACTS**

Read: Report dated 18 January 2023 from Ms S McConville Procurement Manager regarding DAC/STA Register – Quarter 3. **(Copy circulated)**

**AGREED: On the proposal of Councillor Murphy seconded by Councillor McAteer it was agreed to note the Quarter 3 update in relation to Single Tender Actions.**

**AC/012/2023: FRAUD & WHISTLEBLOWING**

Read: Report dated 18 January 2023 from Mr G Byrne Assistant Director Finance & Performance, regarding an update on Fraud and Raising Concerns. **(Copy circulated)**

**AGREED: On the proposal of Councillor Lewis seconded by Councillor McAteer 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 the progress on actions arising from the NIAO Internal Fraud Risk Self Assessment.

**INTERNAL AUDIT (CLOSED SESSION)**

**AC/013/2023: ASM INTERNAL AUDIT SUMMARY REPORT**

Read: ASM Internal Audit Summary Report dated 18 January 2023. **(Copy circulated)**

**AGREED: On the proposal of Councillor McAteer seconded by Councillor Byrne it was agreed to note the ASM Internal Audit Summary Report.**

**AC/014/2023: ASM INTERNAL AUDIT FINAL REPORT RE: CASH HANDLING**

Read: ASM Internal Audit – Audit Fieldwork 2022/23- Report dated 08 December 2022 regarding Cash Handling. **(Copy circulated)**

**AGREED: On the proposal of Councillor McAteer seconded by Councillor Byrne it was agreed to note ASM Internal**

**Audit - Fieldwork 2022/23- Report dated 08 December 2022 regarding Cash Handling.**

**AC/015/2023: ASM INTERNAL AUDIT  
FINAL REPORT RE: PROJECT GOVERNANCE**

Read: ASM Internal Audit – Audit Fieldwork 2022/23- Report dated 10 January 2023 regarding Project Governance. **(Copy circulated)**

**AGREED: On the proposal of Councillor McAteer seconded by Councillor Byrne it was agreed to note ASM Internal Audit - Fieldwork 2022/23- Report dated 10 January 2023 regarding Project Governance.**

**AC/016/2023: ASM INTERNAL AUDIT  
RE: PAYROLL**

Read: ASM Internal Audit – Audit Fieldwork 2022/23 – Report dated 09 December 2022 regarding Review of Payroll and Travel and Subsistence. **(Copy circulated)**

**AGREED: On the proposal of Councillor McAteer seconded by Councillor Byrne it was agreed to note ASM Internal Audit -Audit Fieldwork 2022/23 – Report dated 09 December 2022 regarding Review of Payroll and Travel and Subsistence.**

**AC/017/2023: ASM INTERNAL AUDIT  
RE: WASTE MANAGEMENT**

Read: ASM Internal Audit – Audit Fieldwork 2022/23 – Report dated 13 January 2023 regarding Waste Management. **(Copy circulated)**

**AGREED: On the proposal of Councillor McAteer seconded by Councillor Byrne it was agreed to note ASM Internal Audit Audit Fieldwork 2022/23 – Report dated 13 January 2023 regarding Waste Management.**

**AC/018/2023: ASM INTERNAL AUDIT  
RE: REVIEW OF DFC FUNDING**

Read: ASM Internal Audit – Audit Fieldwork 2022/23 – Report dated 19 December 2022 regarding Review of applications for funding to the Department of Communities. **(Copy circulated)**

**AGREED:** On the proposal of Councillor McAteer seconded by Councillor Byrne it was agreed to note ASM Internal Audit - Audit Fieldwork 2022/23 – Report dated 19 December 2023 regarding Review of DfC Funding.

**PERFORMANCE (CLOSED SESSION)**

**AC/019/2023:** **IMPROVEMENT AUDIT & ASSESSMENT 2022-23**

Read: Letter dated 29 November 2022 from NIAO regarding Newry Mourne & Down District Council Improvement Audit and Assessment – Final Audit and Assessment Report 2022-23. **(Copy circulated)**

**AGREED:** On the proposal of Councillor Byrne seconded by Councillor McAteer it was agreed:

- a) To note correspondence 29 November 2022 from NIAO regarding Newry Mourne & Down District Council Improvement Audit and Assessment – Final Audit and Assessment Report 2022-23.
- b) The Director of ERT provide a report at the Audit Committee Meeting regarding narrative statistics for Planning.

**PERFORMANCE (OPEN SESSION)**

**AC/020/2023:** **MID YEAR ASSESSMENT OF PERFORMANCE**

Read: Report dated 18 January 2023 from Mr G Byrne Assistant Director of Finance, Finance & Performance, regarding Mid Year Assessment – Performance Improvement Plan 2022-23. **(Copy circulated)**

Ms Hughes explained the above Report was tabled and approved at the Strategy Policy & Resources Committee Meeting held on 17 November 2023 and has been tabled at Audit Committee for noting.

**AGREED:** On the proposal of Councillor Lewis seconded by Councillor Murphy it was agreed to note Report dated 18 January 2023 from Mr G Byrne Assistant Director of Finance, Finance & Performance, regarding Mid Year Assessment – Performance Improvement Plan 2022-23.



## **CIRCULARS**

### **AC/021/2023: DAO 06/22 – DIRECT AWARD CONTRACTS**

Read: Letter dated 30 September 2022 from Department of Finance regarding Direct Award Contracts. **(Copy circulated)**

**AGREED: On the proposal of Councillor Murphy seconded by Councillor McAteer it was agreed to note the above correspondence.**

### **AC/022/2023: DAO 05/22 – GRANT OR PROCUREMENT**

Read: Letter dated 30 September 2022 from Department of Finance regarding Grant or Procurement. **(Copy circulated)**

**AGREED: On the proposal of Councillor Murphy seconded by Councillor McAteer is was agreed to note the above correspondence.**

### **AC/023/2023: RATES SUPPORT GRANT ALLOCATION 2022/23**

Read: Letter dated 30 September 2022 from Department for Communities regarding Rates Support Grant Allocation. **(Copy circulated)**

Councillor Byrne said although the reduction in the Rate Support Grant was disappointing, he asked if Management were content the reduction would not impact the future financial sustainability of the Council and if change to the Risk Register was required.

Mr Byrne referred to Corporate Risk10 regarding financial implications for Council. He said management were aware this reduction would happen which is presently being substituted by Council reserves in 2022–23 and 2023-24 after which efficiencies will have to be identified within Council to continue provision of services in light of losing this significant amount of money. He said this is reflected in the Corporate Risk Register and that SOLACE were lobbying central government to have some of this funding reinstated next year.

**AGREED: On the proposal of Councillor Murphy seconded by Councillor McAteer it was agreed to note the above correspondence.**

**AC/024/2023:           DATE FOR NEXT MEETING**  
**AUDIT COMMITTEE MEETING**

It was noted the next Meeting of the Audit Committee was scheduled for Tuesday 25 April 2023 but due to Local Government Elections being held on 18 May 2023 this date may have to be changed due to the period of purdah, and the Chairperson suggested Members consider holding an Audit Committee Meeting in early April 2023, and another Audit Committee Meeting following the Local Government Elections.

**AGREED:                   It was unanimously agreed to hold an Audit Committee Meeting early April 2022 and a further Meeting of the Audit Committee be held after the Local Government Elections.**

Ms Slevin welcomed the two new Members to the Committee, Councillor Callum Bowsie and Councillor Geraldine Kearns, and to the newly appointed Director of Corporate Services, Ms Josephine Kelly, and to the new Council Officers, Ms Catherine Hughes, Ms Edel Cosgrove and Ms S McConville, who now report to the Audit Committee.

There being no further business the meeting concluded at 3.35pm.

For consideration at the Council Meeting to be held on Monday 06 February 2023.

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

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