

NEWRY MOURNE AND DOWN DISTRICT COUNCIL

Minutes of Audit Committee Meeting held on Thursday 23 September 2021 via Microsoft Teams.

- Chairperson:** Ms B Slevin Independent Chairperson
- In attendance:** **(Committee Members)**
Councillor P Byrne
Councillor C Casey
Councillor O Hanlon
Councillor A Lewis
Councillor D Murphy
Councillor D McAteer
- Non Members:** Councillor G Stokes
- Officials in attendance:** Ms M Ward Chief Executive
Ms D Carville Director of Corporate Services
Mr M Lipsett Director Active & Healthy Communities
Mr G Byrne Assistant Director of Finance (Acting)
Ms S Murphy Assistant Director Waste Management (Acting)
Ms L Dillon Democratic Services Officer
Ms L O Hare Democratic Services Officer
Ms C McAteer Democratic Services Officer
- Also in attendance:** Ms M Lopez Santacruz ASM
Ms K Beattie NIAO
Ms L Gordon NIAO

AC/073/2021: APOLOGIES AND CHAIRPERSON'S REMARKS

The following apologies were received:

Councillor K Owen
Councillor L Devlin

AC/074/2021: DECLARATIONS OF INTEREST

No Declarations of Interest.

**AC/075/2021: ACTION SHEETS ARISING FROM:
AUDIT COMMITTEE MEETING: 05 JULY 2021**

Read: Action Sheet arising from Minutes of the Audit Committee Meeting held on Monday 05 July 2021.
(Copy circulated)

The following issues were raised:

AC/057/2021 – Corporate Risk Register

Noted: Training regarding changes to the Orange Book Management of Risk – Principles and Concepts will be completed prior to the Audit Committee Meeting in December 2021/January 2022.

AC/060/2021 – Quarterly Update re: Single Tender Actions

Noted: A Quarterly update regarding the use of Single Tender Actions would be discussed later in the Meeting.

AC/054/2021 – Members' Register of Interest

Noted: It is the responsibility of Members to update the Members' Register of Interest at any stage should a particular interest change. Any changes or updates to the Register should be done by contacting the Democratic Services Department. Officers will issue a 6 monthly reminder to Members to review their Register of Interest to ensure the Register remains current.

AGREED: On the proposal of Councillor McAteer seconded by Councillor Lewis it was agreed to note the Action Sheet arising from the Audit Committee Meeting held on Monday 05 July 2021.

CORPORATE SERVICES (OPEN SESSION)

AC/076/2021: CORPORATE RISK REGISTER

Read: Report dated 23 September 2021 from Ms D Carville, Director of Corporate Services regarding the Corporate Risk Register. **(Copy circulated)**

Ms Carville explained the Senior Management Team held a Special Risk Workshop on Monday 06 September 2021 which undertook a quarterly review of the Risk Register and also examined the new Risk Strategy, which was approved by the Audit Committee in July 2021, and formally approved by the SP&R Committee in September 2021.

She referred to changes that have been made to the Risk Register under the new Risk Strategy, as outlined under 2.1 in the above Report.

She also highlighted the following changes, also contained under 2.1 in the above Report:

- CR1 – updated to reflect material shortages and rise in construction costs.
- CR2 – has been amalgamated with CR3 to ensure procurement falls into line with breach of legislation
- CR9 - risk score has been reduced with regard to transforming and planning for the future

With regard to reporting on Directorate Risk Registers, Ms Carville said a report will be presented at each Audit Committee Meeting, regarding an individual Directorate, beginning with the Corporate Services Department which will be presented later in the Meeting.

Members raised the following issues on risks contained in the Risk Register:

- Councillor Byrne asked for clarity regarding amalgamating CR2 and CR3 and the wording for CR1.

Ms Carville explained that with regard to procurement, it was felt given the significant progress made in this area and in order to reflect same, it was decided CR2 should be moved into CR3. This area of risk would continue to be monitored and updates brought to the Audit Committee.

In explaining the description for CR1, she referred to the current risk surrounding the construction industry and the key posts within that service area to be filled, and the need for Council to ensure decisions taken are aligned to the Council's strategic priorities taking into account the challenges currently facing this area.

Ms Ward assured Members that the development of projects had formed part of the Senior Management Team discussions on this area, including the risks and challenges associated with reaching delivery stage for projects.

- Councillor Casey referred to the programme of delivery for key Council projects and aspects of the Belfast Region City Deal and as some projects were soon due to start, it appeared supply and demand was becoming a key element in progressing projects and asked if this would be reflected in the Risk Register.

In response to Councillor Casey, Ms Carville explained the Risk Register was reviewed on a quarterly basis and indications showed there would be

difficulties within this sector for some time but that work would continue to deliver the Council's Capital Programme as far as possible.

- Councillor McAteer referred to CR4 and the delay in actioning some historical planning applications which were awaiting legal advice and felt more measures needed to be in place to allow the progression of such applications.
- Councillor McAteer also referred to CR7 and questioned the level of responsibility for Council in this area as there were other factors which lay outside of Council's control and how the risk score could be improved.

Ms Carville said an action was in place regarding the backlog of cases for planning applications and a more detailed update report will be presented to the next Meeting of the Audit Committee regarding work ongoing within this area of risk.

With regard to economic and regeneration risk Ms Carville said actions have been formulated around areas which are within Council control but agreed other external factors existed which would be critical to progress in this area.

AGREED: On the proposal of Councillor Byrne seconded by Councillor Lewis it was agreed as follows:

(a) To approve changes to the Corporate Risk Register as highlighted within the summary at Appendix 1 – full Corporate Risk Register can be evidenced at Appendix 2.

(b) To note the revised Corporate Services Directorate Risk Register at Appendix 3.

AC/077/2021: PROMPT PAYMENT STATISTICS

Read: Report dated 23 September 2021 from Mr G Byrne Assistant Director of Finance (Acting) regarding Prompt Payment Statistics. **(Copy circulated)**

Mr Byrne presented the statistics on Prompt Payments for Quarter 1 for year 2021-22 stating Council had paid 92% of all invoices within 30 days and paid 22% of all invoices within 10 days with the average number of days to pay suppliers being 20 days and these statistics showed significant improvements had been made.

Ms Slevin welcomed the improvements reflected in the prompt payment statistics. She asked for further information regarding the 8% of payments made outside the payment period.

Mr Byrne explained NMDDC were the lead Council on the FFNI project and

had to await the payment of DCMS funding to other Councils and BSO, therefore this timing issue resulted in a percentage of payments being made outside the payment period.

AGREED: **On the proposal of Councillor McAteer seconded by Councillor Lewis it was agreed to note the Quarter 1 2021-22 Prompt Payment statistics.**

AC/078/2021: **NMDDC**
-STATEMENT OF ACCOUNTS YE 31 MARCH 2021
-ANNUAL GOVERNANCE STATEMENT

Read: Newry Mourne & Down District Council Statement of Accounts for Year Ended 31 March 2021, and Annual Governance Statement. **(Copy circulated)**

Mr Byrne explained the Draft Statement of Accounts had been presented to the Audit Committee Meeting held on 05 July 2021 after which they had been submitted to NIAO for external audit. He said NIAO have now issued a Draft Report to Those Charged with Governance which highlights that to date, there have been no material year-end adjustments.

He referred to a number of disclosure amendments to the accounts as recommended by the Department for Communities.

Ms Carville advised that should any material changes occur to the Accounts as presented to Members, this will be brought back to the Audit Committee for approval.

In response to a query from Councillor McAteer regarding absenteeism, Ms Carville confirmed a report on Absenteeism was brought to the SP&R Committee and she could arrange to forward details to Councillor McAteer.

Mr Byrne added that although absenteeism remained a significant governance issue, it had decreased.

Ms Slevin extended thanks to Mr Byrne and his team and to Ms Beattie and Ms Gordon from NIAO for their input with this process during what were still difficult times.

AGREED: **On the proposal of Councillor Byrne seconded by Councillor Hanlon it was agreed to approve the NMDDC Statement of Accounts for year ended 31 March 2021, subject to any further adjustments by Northern Ireland Audit Office (NIAO), and subject to any issues that may arise during consideration of the Northern Ireland Audit Office (NIAO) Draft Report to Those Charged with Governance for Year Ended 31 March 2021.**

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 Lewis seconded by Councillor Hanlon 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/079/2021: **NIAO**
DRAFT REPORT TO THOSE CHARGED WITH
GOVERNANCE

Read: Correspondence dated 22 September 2021 from Northern Ireland Audit Office (NIAO) regarding Draft Report to Those Charged with Governance for year ended 31 March 2021. **(Copy circulated)**

AC/080/2021: **NIAO**
PERFORMANCE

Read: NIAO verbal report on Performance.

CORPORATE SERVICES (CLOSED SESSION)

AC/081/2021: **UPDATE**
RE: AUDIT RECOMMENDATIONS

Read: Report dated 23 September 2021 from Mr G Byrne Assistant Director of Finance (Acting) regarding an update on Audit Recommendations. **(Copy circulated)**

AC/082/2021: **UPDATE**
RE: FRAUD & RAISING CONCERNS

Read: Report dated 23 September 2021 from Mr G Byrne Assistant Director of Finance (Acting) regarding fraud and raising concerns update. **(Copy circulated)**

AC/083/2021: QUARTERLY UPDATE
RE: SINGLE TENDER ACTIONS (STAs)

Read: Report dated 23 September 2021 from Mr G Byrne Assistant Director of Finance (Acting) regarding a quarterly update on Single Tender Actions (STAs) (or Direct Award Contracts DACs). **(Copy circulated)**

(Councillor Murphy left the meeting)

AC/084/2021: PROCUREMENT ACTION PLAN

Read: Report dated 23 September 2021 from Mr G Byrne Assistant Director of Finance (Acting) regarding Procurement Action Plans for each Council Directorate. **(Copy circulated)**

AC/085/2021: UPDATE
RE: FUEL MANAGEMENT

Read: Report dated 23 September 2021 from Mr J McBride Director Neighbourhood Services (Acting) regarding an update on the implementation of the Fuel Management Action Plan. **(Copy circulated)**

INTERNAL AUDIT (CLOSED SESSION)

AC/086/2021: ASM INTERNAL AUDIT - SUMMARY REPORT

Read: ASM Internal Audit Summary Report dated 23 September 2021. **(Copy circulated)**

AC/087/2021: ASM INTERNAL AUDIT
FINAL REPORT
RE: COMMUNITY PLANNING

Read: Final Report from ASM Internal Audit regarding a Review of Community Planning. **(Copy circulated)**

AC/088/2021: ASM INTERNAL AUDIT
FINAL REPORT
RE: PCSP

Read: Final Report from Mr G Byrne Assistant Director of Finance (Acting) regarding a Review of PCSP. **(Copy circulated)**

On the proposal of Councillor Lewis 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/079/2020: NIAO Draft Report to Those Charged with Governance

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

- a) To note the findings of the NIAO Draft Report to Those Charged with Governance.**
- b) To approve un-corrected mis-statements.**

AC/080/2021: NIAO Performance

AGREED: It was agreed to note update from Northern Ireland Audit Office (NIAO) regarding performance.

AC/081/2021: Update re: Audit Recommendations

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

AC/082/2021: Update re: Fraud & Raising Concerns

AGREED: On the proposal of Councillor Lewis, seconded by Councillor McAteer it was agreed to note the update in relation to Fraud and Raising Concerns cases.

AC/083/2021: Quarterly Update re: Single Tender Actions

AGREED: On the proposal of Councillor Byrne seconded by Councillor McAteer it was agreed to note the 2021-22 Quarter two update in relation to Single Tender Actions as contained in Report dated 23 September 2021 from Mr G Byrne Assistant Director of Finance (Acting).

AC/084/2021: **Procurement Action Plan**

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

- a) To note the update contained in the report dated 23 September 2021 from Mr G Byrne Assistant Director of Finance (Acting) relation to Procurement Action Plans for each Directorate
- b) Procurement Action Plans to be reported to the Audit Committee on a bi-annual basis.

AC/085/2021: **Update re; Fuel Management**

AGREED: On the proposal of Councillor McAteer seconded by Councillor Hanlon it was agreed to note the contents of Report dated 23 September 2021 from Mr J McBride Director Neighbourhood Services (Acting) regarding an update on the implementation of the Fuel Management Action Plan.

AC/086/2021: **ASM Internal Audit Summary Report**

AGREED: On the proposal of Councillor McAteer seconded by Councillor Byrne it was agreed to note the ASM Summary Audit report

AC/087/2021: **ASM Internal Audit Final Report re: Community Planning**

AGREED: On the proposal of Councillor Lewis seconded by Councillor McAteer it was agreed to note the ASM Internal Audit Summary Report – Community Planning.

AC/088/2021: **ASM Internal Audit Final Report re: PCSP**

AGREED: On the proposal of Councillor Lewis seconded by Councillor Byrne it was agreed to note the Report from Mr G Byrne Assistant Director of Finance (Acting) regarding Policing and Community Safety Partnership (PCSP) Expenditure Report.

PERFORMANCE (OPEN SESSION)

AC/089/2021: ANNUAL ASSESSMENT OF PERFORMANCE 2020-21

Read: Report dated 23 September 2021 from Ms D Carville, Director of Corporate Services regarding Annual Assessment of Performance 2020/21. **(Copy circulated)**

Agreed: On the proposal of Councillor Lewis seconded by Councillor Byrne it was agreed to note the Assessment of Performance Improvement 2020-21, including the summary document 'Our Performance Looking Back Going Forward'.

CIRCULARS

AC/090/2021: DEPARTMENT OF FINANCE RE: CONTRACTS REGISTER

Read: Correspondence dated 07 September 2021 DAO (DoF) 05/21) from Department of Finance regarding Contracts Register. **(Copy circulated)**

AGREED: On the proposal of Councillor Lewis seconded by Councillor McAteer it was agreed to note correspondence dated 07 September 2021 DAO (DoF) 05/21) from Department of Finance regarding Contracts Register.

AC/091/2021: DEPARTMENT OF FINANCE RECORD OF COUNICLLORS' AND COMMITTEE MEMBERS' ALLOWANCES FUNDED BY COUNCIL 2020/2021

Read: Correspondence dated 07 September 2021 DAO (DoF) 06/21) from Department of Finance regarding revised Policy and Guidance on Best Practice in project delivery and engagement with the Gateway tm/Assurance Review Process – update to DAO (DOF) 02/20. **(Copy circulated)**

AGREED: On the proposal of Councillor Lewis seconded by Councillor McAteer it was agreed to note correspondence dated 07 September 2021 DAO (DoF) 06/21) from Department of Finance regarding revised Policy and Guidance on Best Practice in project delivery and engagement with the Gateway tm/Assurance Review Process – update to DAO (DOF) 02.

There being no further business the meeting concluded at 3.25 pm.

For consideration at the Council Meeting to be held on Monday 04 October 2021.

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

Signed: **Ms B Slevin**
 Independent Chairperson