

NEWRY MOURNE AND DOWN DISTRICT COUNCIL

Ref: AC/2024

**Minutes of Audit Committee Meeting held on Thursday 19 September 2024, at
2.00pm, in the Mourne Room, Downshire Civic Centre, Downpatrick**

Chairperson: Ms B Slevin, Independent Chairperson

**In attendance
in Chamber:**

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

**Officials in attendance
in Chamber:**

Mrs M Ward, Chief Executive
Mrs J Kelly, Director Corporate Services
Mr C Mallon, Director of Economy, Regeneration & Tourism
Ms S Murphy, Director Sustainability & Environment
Mr A Patterson, Director Active & Healthy Communities
Mr C Boyd, Assistant Director Capital Projects & Procurement
Mr G Byrne, Assistant Director of Finance & Performance
Ms C Hughes, Head of Performance and Improvement
(Acting)
Ms F Branagh, Democratic Services Officer

**Also in attendance
in chamber:**

Ms K Doey	NIAO
Ms L Kerr	NIAO

AC/069/2024: APOLOGIES AND CHAIRPERSON'S REMARKS

Apologies were received from Councillors Devlin, Hanna, Howie and K Murphy, and from Mr S Wade, NIAO Director.

Mrs Kelly noted that Councillor Hanna had replaced Councillor Bowsie on the Committee.

AC/070/2024: DECLARATIONS OF INTEREST

There were no interests declared.

**AC/071/2024: ACTION SHEET OF AUDIT COMMITTEE MEETING HELD ON 31
JULY 2024**

Read: Action Sheet arising from Minutes of the Audit Committee Meeting held on Thursday 31 July 2024. **(Copy circulated)**

AC/033/2024 – *Audit Committee Self-Assessment.*

Councillor O'Hare spoke of the difficulty in assessing how the Committee added value to the organisation when reports were added late, stating that it was difficult to find time to read and understand the documents and requested that this be considered moving forward.

Mrs Kelly noted the point, advising that it was difficult to upload some reports as Audits were still in progress and any reports would be heavily caveated if these were not completed.

Ms Slevin noted that adding value could be difficult to quantify and queried whether officers could consider ways the Committee added core value to the organisation.

Ms Slevin queried whether Members were interested in further training, given the addition of a new Committee Member, and asked whether Officers could consider both internal and external training opportunities for Committee Members.

Councillor O Hare confirmed she would be keen to avail of any training that was on offer and stated that this would be beneficial to all Members of the Committee.

Mrs Kelly noted that training had been completed in the past by NILGA and the NIAO and advised that this was something that would be considered prior to the next meeting.

AGREED: **On the proposal of Councillor Mathers, seconded by Councillor O'Hare, it was agreed to note the Action Sheet for Audit Committee Meeting held on 31 July 2024.**

It was further agreed that any training opportunities for Members be considered and tabled at a future Committee Meeting.

PERFORMANCE

AC/072/2024: ASSESSMENT OF PERFORMANCE 2023/24

Read: Report dated 19 September 2024 from Mr G Byrne, Assistant Director of Finance & Procurement, regarding the Assessment of Performance 2023/24. **(Copy circulated)**

Ms Hughes outlined the Assessment of Performance and noted that it had been agreed and approved at a recent Strategy, Policy and Resources Committee Meeting on 12 September 2024 and would be published on the Council website by 30 September 2024, in line with statutory obligations.

Ms Slevin thanked the team for the hard work involved in completing the assessment.

AGREED: **On the proposal of Councillor Sharvin, seconded by Councillor O'Hare, it was agreed to note the Assessment of Performance 2023-24, including the summary document "Our Performance Looking Back going Forward".**

CORPORATE SERVICES – OPEN SESSION

AC/073/2024: UPDATE OF MEMBERS' INTERESTS

Read: Report dated 19 September 2024 from Mrs J Kelly, Director of Corporate Services, regarding the Corporate Risk Register. **(Copy circulated)**

Mrs Kelly advised that Members' Registers of Interest were updated every six months through Democratic Services, noting the most recent update had been requested on 10 September 2024.

Councillor Sharvin queried whether there was an easier way of completing the form that would make the task less onerous on everyone, suggesting an online form as an option.

Mrs Kelly acknowledged the point, and advised she would discuss the request with Democratic Services to investigate but advised that the forms still needed to be completed in the usual form until advised otherwise.

AGREED: On the proposal of Councillor Sharvin, seconded by Councillor O'Hare, it was agreed to note the six-month review report.

AC/074/2024: CORPORATE RISK REGISTER – AHC DIRECTORATE RISK REGISTER ALSO TO BE TABLED

Read: Report dated 19 September 2024 from Mrs J Kelly, Director of Corporate Services, regarding the Corporate Risk Register. **(Copy circulated)**

Mrs Kelly highlighted that the risk register was a live document that had been updated as recently as the weekend, following the recent Belfast Region City Deal (BRCD) announcements, confirming 12 Corporate Risks with no changes to the overall scoring of those risks and brought Members' attention to the addition of risk owners and actions taken regarding those within the register.

Ms Slevin requested a brief update on the risks facing Council following the recent announcements regarding BRCD funding.

Mrs Ward noted her delight that the decision had been made to wholly reverse the removal of funding and that all funding was proceeding as originally planned.

Councillor Hanlon welcomed the assurance from the treasury regarding funding, noted the increased risk to all projects proceeding with BRCD funding and queried as to who was liable should the funding decision be reversed again as Council had allocated ratepayer money on the projects. She further queried whether the risk should be increased or how this could be kept on the Audit Committee's radar.

Mrs Ward noted the point raised and confirmed that this had been discussed at project board level relating to the BRCD partnership. She further noted that the Finance Minister had advised that it had now been confirmed in writing that all BRCD funding projects and programme of works was secure. Mrs Ward did note that the announcement did highlight there were risks associated with any project, advising that there were provisions within all contracts regarding funding and would clarify to Members what they were.

Mrs Ward further advised that following the announcement, the Senior Management Team (SMT) collated the detail relating to the contractual position of each BRCD contract,

including financial liability, and considered any potential impacts moving forward. The BRCD Programme Board would be discussing the issue at the next Executive Board Meeting and Members would be advised in due course of any implications.

Councillor Sharvin noted that the announcement enabled Council to collate all the contractual positions, which would be beneficial across the progress of the projects. He further noted that this issue highlighted to Council what benefits could have been lost to the District, and what added value the projects would bring to the District.

Mr Patterson outlined the AHC Risk Register, highlighting the addition of risk AHC05 from the previous financial year from the Corporate Services Risk Register, which covered safeguarding children and adults across the Council, and ensuring that all relevant legislative and statutory requirements within facilities were up to date.

Following a query from Councillor Sharvin regarding a reason for not achieving the Leisure Safe Accreditation and what steps were being taken to correct that, Mr Patterson advised that the accreditation spanned two elements, one which ensured safe systems of work and having the right protocol and procedures in place for operational rules, which he confirmed were in place. He advised that the second element was in relation to compliance with regard to risk assessments and remedial works relating to asbestos and Legionella, which had been highlighted in historic audit reports, and he advised that some contracts coming into place through the Sustainability and Environment Department would alleviate some of those non-compliance issues. He confirmed that once these had been addressed, Council would be applying for the Accreditation again.

Following a further query from Councillor Sharvin in relation to the availability of staff to deliver fitness classes and the potential impact on income from the leisure facilities, Mr Patterson confirmed that a new contract had recently been implemented that allowed the use of coaches if employees were unavailable to facilitate fitness classes. He further advised that following a trial period of this contract, an update would be tabled at a forthcoming AHC Committee meeting.

Councillor Hanlon queried the use of the delivery partner in this new contract, and asked if other options were available to ensure classes were not cancelled at the last minute.

Mr Patterson confirmed he was aware of the complaints and this contract was an attempt to address the concerns and advised that following a trial period, an update would be tabled at an AHC meeting prior to the Christmas period.

AGREED:

On the proposal of Councillor Hanlon, seconded by Councillor Sharvin, 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 AHC Directorate Risk Register summary at Appendix 3 and detailed AHC Risk Register at Appendix 4.**

AC/075/2024:

NMDDC STATEMENT OF ACCOUNTS 2023/24

Read: Report dated 19 September 2024 from Mr G Byrne, Assistant Director of Finance & Performance, regarding NMDDC Statement of Accounts 2023/24. **(Copy circulated)**

Ms Slevin highlighted that in line with best practice, the Report to Those Charged With Governance (RTTCWG) needed to be undertaken prior to approving the NMDDC Statement of Accounts and requested this item be deferred until later in the meeting.

AGREED: It was agreed to postpone discussion on the item until later in the meeting.

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 King, 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:

NIAO (CLOSED SESSION)

AC/076/2024: REPORT TO THOSE CHARGED WITH GOVERNANCE 2023/24 - DRAFT

Read: Correspondence from NIAO regarding Report to Those Charged with Governance (RTTCWG). **(Copy circulated)**

AGREED: On the proposal of Councillor Sharvin, seconded by Councillor King, it was agreed to note the Report.

CORPORATE SERVICES (CLOSED SESSION)

AC/077/2024: UPDATE ON AUDIT RECOMMENDATIONS

Read: Report dated 19 September 2024 from Ms E Cosgrove, Assistant Director of Administration (Acting), regarding an Update on Audit Recommendations. **(Copy circulated)**

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

AC/078/2024: DIRECT AWARD CONTRACTS

Read: Report dated 19 September 2024 from Mr C Boyd, Assistant Director of Capital Projects & Procurement, regarding Direct Award Contracts. **(Copy circulated)**

AGREED: On the proposal of Councillor King, seconded by Councillor Sharvin, it was agreed to note the Q1 update in relation to Direct Award Contracts and the Q2 Direct Award Contract activity to date.

AC/079/2024: PROCUREMENT ACTION PLANS

Read: Report dated 19 September 2024 from Mrs J Kelly, Director of Corporate Services, regarding procurement action plans. **(Copy circulated)**

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

AC/080/2024: UPDATE ON FRAUD AND WHISTLEBLOWING INCLUDING RAISING CONCERNS POLICY & NFI 2024 UPDATE

Read: Report dated 19 September 2024 from Mr G Byrne, Assistant Director of Finance & Performance, regarding Fraud and Raising Concerns Update. **(Copy circulated)**

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

- Note the update in relation to Fraud and Raising Concerns cases which have been detailed at Appendix 1.
- Note the progress on actions arising from the NIAO Internal Fraud Risk self-assessment.
- To approve the revised Raising Concerns Policy detailed at Appendix 2.

AC/081/2024: PLANNING DEPARTMENT UPDATE

Read: Report dated 19 September 2024 from Mr J McGilly, Assistant Director of Regeneration, regarding a Planning department Update. **(Copy circulated)**

AGREED: On the proposal of Councillor Mathers, seconded by Councillor O'Hare, it was agreed to note the contents of the Report.

INTERNAL AUDIT (CLOSED SESSION)

AC/082/2024: SUMER NI SUMMARY REPORT

Read: Summary Report dated 19 September 2024 regarding a Summary Report to the Audit Committee. **(Copy circulated)**

AGREED: On the proposal of Councillor Sharvin, seconded by Councillor King, it was agreed to accept the SUMER NI Summary Report.

AC/083/2024: INTERNAL AUDIT PLAN 2024/25

Read: Internal Audit Plan 2024/25 **(Copy circulated)**

AGREED: On the proposal of Councillor Sharvin, seconded by Councillor Mathers, it was agreed to approve the Internal Audit Plan 2024/25.

AC/084/2024: FLEET AND ASSET MANAGEMENT – FINAL REPORT

Read: Fleet and Asset Management Report **(Copy circulated)**

AGREED: On the proposal of Councillor Sharvin, seconded by Councillor King, it was agreed to accept the Fleet Asset Management Report.

AC/085/2024: PCSP AUDIT 2023/24 – SUMER NI

Read: PCSP AUDIT 2023/24 – SUMER NI AUDIT **(Copy circulated)**

AGREED: On the proposal of Councillor Sharvin, seconded by Councillor King, it was agreed to accept the PCSP Audit 2023/24

AC/086/2024: PCSP AUDIT 2020/21, 2021/22 AND 2022/23 – EY

Read: PCSP AUDIT 2020/21, 2021/22 and 2022/23 – EY **(Copy circulated)**

AGREED: On the proposal of Councillor O’Hare, seconded by Councillor Sharvin, it was agreed to accept the PCSP Audit 2020/21, 2021/22 and 2022/23.

At this stage of the meeting, it was agreed to resume discussions around AC/075/2024: NMDDC Statement of Accounts 2023/24

AC/075/2024: NMDDC STATEMENT OF ACCOUNTS 2023/24

Read: Report dated 19 September 2024 from Mr G Byrne, Assistant Director of Finance & Performance, regarding NMDDC Statement of Accounts 2023/24. **(Copy circulated)**

Mrs Kelly thanked Mr Byrne and his team, to the finance team and to the NIAO, for their ongoing hard work in completing this report.

Mr Byrne advised that the draft accounts had been submitted to NIAO and Department for Communities on 20 June 2024 and highlighted a small amendment to be made on the report regarding one reclassification of a debtor, which had no impact on the overall income and expenditure report. He drew Members' attention to two small changes on the Annual Governance Statement, one being the inclusion of the soil sample fraud issue, which all Councils were to include in their governance statements, and the updated wording in relation to the BRCD funding following the recent announcement.

Mr Byrne further advised that the NIAO were still reviewing the audit file, and the RTTCWG still needed to be reviewed for factual accuracy, but Council was broadly content with the points raised, confirmed that a management response would be tabled in January, and following the completion of the audit, Members would be advised of any material changes or amendments.

Ms Slevin noted her thanks to Mr Byrne and his team, and to the NIAO staff members involved in the audit.

AGREED: On the proposal of Councillor Sharvin, seconded by Councillor Hanlon, it was agreed to note the NIAO RTTCWG and approve the Statement of Accounts for year ending 31 March 2024 for signing by the Chief Executive and Chairperson.

FOR NOTING

AC/087/2024: **NFI INSTRUCTIONS 2024/25**

Read: NFI Instructions 2024/25 **(Copy circulated)**

AGREED: On the proposal of Councillor Mathers, seconded by Councillor O'Hare, it was agreed to note the document.

AC/088/2024: **NI AUDIT OFFICE REPORT – DEVELOPING THE SKILLS FOR NI'S FUTURE**

Read: NI Audit Office Report – Developing the Skills for NI's Future **(Copy circulated)**

AGREED: On the proposal of Councillor Mathers, seconded by Councillor O'Hare, it was agreed note the document.

AC/089/2024: **NI AUDIT OFFICE REPORT – PUBLIC BODIES RESPONSE TO MISREPRESENTED SOIL SAMPLE ANALYSIS**

Read: NI Audit Office Report – Public Bodies Response to Misrepresented Soil Sample Analysis. **(Copy circulated)**

AGREED: On the proposal of Councillor Mathers, seconded by Councillor O'Hare, it was agreed note the document.

AC/090/2024: **NI AUDIT OFFICE REPORT – REVIEW OF WASTE MANAGEMENT IN NORTHERN IRELAND**

Read: NI Audit Office Report – Review of Waste Management in Northern Ireland. **(Copy circulated)**

AGREED: On the proposal of Councillor Mathers, seconded by Councillor O'Hare, it was agreed note the document.

There being no further business the meeting concluded at 3:43pm.

For consideration at the Council Meeting to be held on Monday 4 November 2024.

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

Signed: **Ms B Slevin**
Independent Chairperson