

NEWRY MOURNE AND DOWN DISTRICT COUNCIL

Minutes of Audit Committee Meeting held on Monday 06 July 2020 via Skype.

Chairperson: Ms B Slevin Independent Chairperson

In attendance: **(Committee Members)**
Councillor P Byrne
Councillor L Devlin
Councillor C Enright
Councillor M Gibbons
Councillor O Hanlon
Councillor A Lewis
Councillor K Owen
Councillor G Sharvin

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
Mr G Ringland IT Manager Information
Technology
Ms S Taggart Democratic Services
Manager
Ms L Dillon Democratic Services Officer

Also in attendance: Ms C Hagan ASM
Mr B O'Neill NIAO
Mr P Barr NIAO

AC/021/2020: APOLOGIES AND CHAIRPERSON'S REMARKS

The following apology was received:

Councillor M Ruane

AC/022/2020: DECLARATIONS OF INTEREST

Councillor Byrne declared an interest in agenda Item 10 regarding the Annual Review of the Chairperson's Performance.

Ms Slevin declared an interest in agenda Item 10 regarding the Annual Review of the Chairperson's Performance.

AC/023/2020: ACTION SHEET ARISING FROM AUDIT COMMITTEE MEETING – THURSDAY 09 JANUARY 2020

Read: Action Sheet arising out of Minutes of Audit Committee Meeting held on Thursday 09 January 2020.

(Copy circulated)

AGREED: On the proposal of Councillor Owen seconded by Councillor Sharvin it was agreed to note the Action Sheet arising from the Audit Committee Meeting held on Thursday 09 January 2020.

AC/024/2020: IMPLICATIONS OF COVID-19 ON AUDIT COMMITTEE

Read: Report dated 06 July 2020 from Ms D Carville Director of Corporate Services regarding implications of Covid-19 on the work of the Audit Committee. **(Copy circulated)**

Ms Carville presented the above report. She informed Members of details regarding the financial implications resulting from the Coronavirus Pandemic and explained the process going forward in terms of completion of the Council's Annual Audit and signing off of the Annual Accounts.

She referred to risk management within the organisation and the Council's Performance Improvement timetable. She said the Council's ability to achieve its objectives had been significantly impacted by Covid-19 and that publishing of the 2020-21 Performance Improvement Plan would not be required by 30 June. However, management were awaiting further guidance on this matter from DfC.

She said the Council's financial position had been discussed at a recent Strategy Policy and Resources Committee Meeting and she confirmed a going concern assessment had been undertaken.

She gave assurances to the Committee that all pre-existing risks would continue to be addressed.

AGREED: It was unanimously agreed to note Report dated 06 July 2020 from Ms D Carville Director of Corporate Services regarding the implications of Covid-19 on the work of the Audit Committee.

**AC/025/2020: DATE AND START TIME
AUDIT COMMITTEE MEETINGS 2020/21**

Read: List of agreed dates, and proposed start times for Audit Committee Meetings for 2020/2021. **(Copy circulated)**

AGREED: **On the proposal of Councillor Sharvin seconded by Councillor Devlin, it was agreed to note the Audit Committee dates, already approved by Council, and agree the start time, as follows, in respect of Audit Committee Meetings from July 2020 to April 2021:**

- **Monday 06 July 2020 at 2.00pm**
- **Thursday 24 September 2020 at 2.00pm**
- **Tuesday 12 January 2021 at 2.00pm**
- **Thursday 22 April 2021 at 2.00pm**

It was also agreed to note a Special Meeting of the Audit Committee will be held on Monday 07 December 2020 to sign off Annual Accounts.

**AC/026/2020: AUDIT COMMITTEE
TERMS OF REFERENCE**

Read: Terms of Reference for Audit Committee.
(Approved by Council on 4 March 2019)
(Copy circulated)

AGREED: **On the proposal of Councillor Byrne seconded by Councillor Owen it was agreed to note the Terms of Reference for the Audit Committee, as approved by Council on 4 March 2019.**

AC/027/2020: AUDIT COMMITTEE TIMETABLE

Read: Audit Committee Timetable.
(Copy circulated)

AGREED: **It was agreed to note the Audit Committee Timetable.**

**AC/028/2020: ANNUAL REVIEW
CHAIRPERSONS PERFORMANCE
AUDIT COMMITTEE 2019/20**

Read: Report dated 06 July 2020 from Ms D Carville Director Corporate Services, regarding the Annual Review of the Chairpersons Performance in respect of the Audit Committee 2019/20. **(Copy circulated)**

AGREED: It was agreed to note the Annual Review of the Chairperson's Performance in respect of the Audit Committee for the period July 2019 to April 2020.

CORPORATE SERVICES (OPEN SESSION)

**AC/029/2020: ASSURANCE FRAMEWORK / CODE OF GOVERNANCE
AND
(DRAFT) ANNUAL GOVERNANCE STATEMENT**

Read: Report dated 06 July 2020 from Mr G Byrne Audit Services Manager regarding Assurance Framework/Code of Governance and the (Draft) Annual Governance Statement.
(Copy circulated)

Mr Byrne presented the detail in the Assurance Framework and the (Draft) Annual Governance Statement, highlighting key areas to members. Mr Byrne noted that the Governance Statement would be subject to change up until the date the accounts were signed.

AGREED: On the proposal of Councillor Sharvin seconded by Councillor Hanlon it was agreed:

- (a) To note the Council's Assurance Framework (and the Code of Governance).**
- (b) To approve the (Draft) Annual Governance Statement 2019/20, including the disclosure of the significant Governance issues contained in the Statement.**

AC/030/2020: CORPORATE RISK REGISTER

Read: Report dated 06 July 2020 from Ms D Carville Director of Corporate Services regarding the Corporate Risk Register. **(Copy circulated)**

It was noted all risks had been updated to reflect the implication of Covid-19.

Ms Carville explained the detail regarding new Risks Nos. CR13 and CR14 which related solely to Covid-19.

AGREED: It was unanimously agreed to note Report dated 06 July 2020 from Ms D Carville Director of Corporate Services, regarding the Corporate Risk Register.

It was also noted training would be provided in due course regarding changes to The Orange Book Management of Risk – Principles and Concepts.

AC/031/2020: PROMPT PAYMENT STATISTICS

Read: Report dated 06 July 2020 from Mr G Byrne Audit Services Manager regarding Prompt Payment Statistics. **(Copy circulated)**

Agreed: It was unanimously agreed to note the Report on Prompt Payment Statistics and that an annual comparison report be provided to a future Meeting of the Audit Committee.

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 Gibbons, 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/032/2020: UPDATE RE: AUDIT RECOMMENDATIONS

Read: Report dated 06 July 2020 from Mr G Byrne Audit Services Manager regarding an update on Internal Audit Recommendations. **(Copy circulated)**

AC/033/2020: DIRECT AWARD CONTRACTS

Read: Report dated 06 July 2020 from Mr G Byrne Audit Services Manager regarding Direct Award Contracts (DAC), (or Single Tender Actions STAs). **(Copy circulated)**

AC/034/2020: UPDATE RE: CYBER SECURITY

Read: Presentation document from Mr G Ringland IT Manager Information Technology, regarding Cyber Security. **(Copy circulated)**

AC/035/2020: FRAUD & WHISTLEBLOWING

Read: Report dated 06 July 2020 from Mr G Byrne, Audit Services Manager regarding Fraud and Whistleblowing. **(Copy circulated)**

INTERNAL AUDIT (CLOSED SESSION)

AC/036/2020: ASM SUMMARY REPORT

Read: ASM Summary Report for period 10 January 2020 – 06 July 2020. **(Copy circulated)**

AC/037/2020: ASM (DRAFT) INTERNAL AUDIT PLAN 2020-2021

Read: ASM (draft) Internal Audit Plan 2020/21. **(Copy circulated)**

AC/038/2020: ASM ANNUAL ASSURANCE REPORT 2019/20

Read: Correspondence dated 28 June 2020 from ASM regarding the Annual Internal Audit Assurance Report 2019/20. **(Copy circulated)**

- AC/039/2020: ASM REVIEW OF
PRIOR YEAR RECOMMENDATIONS 2018/19**
- Read: Correspondence dated 09 June 2020 from ASM regarding a follow up review of prior year recommendations 2018/19. **(Copy circulated)**
- AC/040/2020: ASM INTERNAL AUDIT REPORT
- LEISURE AND TIME RECORDING**
- Read: Correspondence dated 28 April 2020 from ASM Internal Audit re: Fieldwork visit 2019/20 – Leisure Services – timesheets; TOIL; Annual Leave. **(Copy circulated)**
- AC/041/2020: ASM INTERNAL AUDIT REPORT
- CONTRACT MANAGEMENT**
- Read: Correspondence dated 24 June 2020 from ASM Internal Audit re: Fieldwork visit – Contract Management. **(Copy circulated)**
- AC/042/2020: ASM ADVISORY REPORT
RE: HEALTH AND SAFETY**
- Read: Correspondence dated 09 June 2020 from ASM regarding a Health & Safety facilities review for fire risk; asbestos; legionella checking. **(Copy circulated)**
- AC/043/2020: ASM REVIEW – BUILDING CONTROL
RE: DURING PERFORMANCE INSPECTIONS**
- Read: Correspondence dated 08 March 2020 from ASM Internal Audit re: Fieldwork visit – Building Control – During Performance Inspections. **(Copy circulated)**
- AC/044/2020: ASM
REVIEW OF FULL FIBRE NORTHERN IRELAND (FFNI)**
- Read: Report from ASM Internal Audit (dated 24 June 2020) re: Audit Fieldwork – Review of Full Fibre Northern Ireland (FFNI). **(Copy circulated)**

NIAO (CLOSED SESSION)

**AC/045/2020: NIAO
NMDDC AUDIT STRATEGY 2019/20**

Read: NIAO re Newry Mourne and Down District Council Audit Strategy 2019/20. **(Copy circulated)**

**AC/046/2020: NIAO
DIRECTOR RESPONSIBILITIES**

Read: Correspondence dated 27 February 2020 from NIAO regarding NIAO Director Responsibilities.
(Copy circulated)

AGREED: On the proposal of Councillor Lewis seconded by Councillor Owen 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/032/2020: Update re: Audit Recommendations

AGREED: It was unanimously agreed to note the update regarding Audit Recommendations.

AC/033/2020: Direct Award Contracts

AGREED: It was unanimously agreed to note Report dated 06 July from Mr G Byrne Audit Services Manager, regarding Direct Award Contracts and that a detailed report from ASM investigating the process of Direct Award Contracts, to be tabled at the Audit Committee Meeting in September 2020.

AC/034/2020: Cyber Security

AGREED: It was unanimously agreed to note the update provided by Mr G Ringland IT Manager, regarding Cyber Security.

AC/035/2020: Fraud & Whistleblowing

AGREED: It was unanimously agreed to note the update provided regarding Fraud & Whistleblowing.

AC/036/2020: ASM Summary Report

AGREED: It was unanimously agreed to note the ASM Summary Report for period 10 January 2020 – 06 July 2020.

It was also agreed Officers report back to the Audit Committee with clarification regarding a policy and implementation date in respect of time management procedures for Leisure Centres.

AC/037/2020: ASM (Draft) Internal Audit Plan 2020/21

AGREED: On the proposal of Councillor Byrne seconded by Councillor Owen it was agreed to approve the ASM Internal Audit Plan 2020/21.

AC/038/2020: ASM Annual Assurance Report 2019/20

AGREED: It was unanimously agreed to note the ASM Annual Internal Audit Assurance Report 2019/20.

AC/039/2020: ASM Review of Prior year Recommendations 2018/19

AGREED: It was unanimously agreed to note the ASM Review of prior year recommendations 2018/19.

AC/040/2020: ASM Internal Audit Report – Leisure & Time Recording

AGREED: It was unanimously agreed to note the Internal Audit Report from ASM (dated 28 April 2020) regarding Leisure Services.

AC/041/2020: ASM Internal Audit Report – Contract Management

AGREED: It was unanimously agreed to note the Internal Audit Report from ASM (dated 24 June 2020) regarding Contract Management.

AC/042/2020: ASM Advisory Report re Health & Safety

AGREED: It was unanimously agreed to note the ASM Advisory Report regarding Health & Safety facilities review.

AC/043/2020: ASM Review of Building Control During Performance Inspections

AGREED: It was unanimously agreed to note the Internal Audit Report from ASM (dated 08 March 2020) regarding Building Control - During Performance Inspections.

AC/044/2020: ASM Review of Full Fibre Northern Ireland (FFNI)

AGREED: It was unanimously agreed to note Report from ASM (dated 24 June 2020) regarding a Review of Full Fibre Northern Ireland (FFNI).

AC/045/2020: NIAO NMDDC Audit Strategy 2019/20

AGREED: On the proposal of Councillor Sharvin seconded by Councillor Owen it was agreed to approve the Newry Mourne and Down District Council Audit Strategy 2019/20.

AC/046/2020: NIAO Director Responsibilities

AGREED: It was unanimously agreed to note correspondence dated 27 February 2020 from NIAO regarding NIAO Director Responsibilities.

NIAO (OPEN SESSION)

**AC/047/2020: NIAO
RAISING CONCERNS – BEST PRACTICE GUIDE**

Read: NIAO Raising Concerns : A good practice guide for the Northern Ireland Public Sector. **(Copy circulated)**

AGREED: It was unanimously agreed to note the NIAO Raising Concerns: A good practice guide for the Northern Ireland Public Sector.

PERFORMANCE (OPEN SESSION)

**AC/048/2020: DEPARTMENT FOR COMMUNITIES
RE: SUSPENDED PERFORMANCE IMPROVEMENT
PLAN 2020/21**

Read: Correspondence dated 11 June 2020 from Department for Communities regarding suspension of publishing Performance Improvement Plans 2020/21. **(Copy circulated)**

Agreed: It was agreed to note correspondence from the Department for Communities regarding suspension of publishing Performance Improvement Plans 2020/21.

CIRCULARS

AC/049/2020: ACCOUNTS DIRECTIVE TO DISTRICT COUNCILS 2019/20

Read: Circular LG 03/20 - Correspondence dated 17 February 2020 from Department for Communities regarding Accounts Direction 2019/20: Northern Ireland District Councils. **(Copy circulated)**

AGREED: It was agreed to note correspondence from Department for Communities regarding Accounts Direction to District Councils 2019/20.

AC/050/2020: CONSOLIDATED COUNCILLOR ALLOWANCES

Read: Circular LG 08/20 - Correspondence dated 03 April 2020 from Department for Communities regarding Consolidated Councillor Allowances . **(Copy circulated)**

AGREED: To note the correspondence from Department for Communities regarding Consolidated Councillor Allowances.

AC/051/2020: RATES STATISTICS

Read: Circular LG 09/20 - Correspondence dated 12 March 2020 from Department for Communities regarding District Council (Northern Ireland) Rate Statistics 2020/2021 . **(Copy circulated)**

AGREED: To note correspondence from Department for Communities regarding District Council (Northern Ireland) Rate Statistics 2020/2021.

AC/052/2020: RECORD OF COUNCILLORS' AND COMMITTEE MEMBERS' ALLOWANCS FUNDED BY COUNCIL 2019/2020

Read: Circular LG 13/20 - Correspondence dated 12 May 2020 from Department for Communities regarding Record of Councillors' and Committee Members' Allowances funded by Council 2019/20. **(Copy circulated)**

AGREED: To note correspondence from Department for Communities regarding Record of Councillors' and Committee Members' Allowances funded by Council 2019/20.

CHAIRPERSON ITEMS

AC/053/2020: AUDIT COMMITTEE SELF ASSESSMENT 2019/20

Read: Report dated 06 July 2020 from Ms B Slevin Independent Chair of Audit Committee regarding the Audit Committee Self-Assessment 2019/20.
(Copy circulated)

AGREED: On the proposal of Councillor Sharvin seconded by Councillor Byrne it was agreed to approve the Audit Committee Self-Assessment 2019/20.

AC/054/2020: AUDIT COMMITTEE ANNUAL REPORT 2019/20

Read: Report dated 06 July 2020 from Ms B Slevin Independent Chairperson of Audit Committee, regarding the Audit Committee Annual Report 2019/20. **(Copy circulated)**

AGREED: On the proposal of Councillor Byrne seconded by Councillor Owen it was agreed to approve the Audit Committee Annual Report 2019/20.

It was also agreed the Audit Committee Annual Report 2019/20 will be reported to Council.

There being no further business the meeting concluded at 4.30pm.

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

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

**Signed: Ms B Slevin
Independent Chairperson**