

**AUDIT COMMITTEE MEETING WEDNESDAY 13 JUNE 2018**

<b>No</b>	<b>Item</b>	<b>Summary of key Recommendations</b>
<b>2</b>	Declarations of Interest	
<b>3</b>	Minutes of Audit Committee held 14 March 2018	<b>Confirmed</b>
<b>4</b>	Northern Ireland Audit Office	
	<b>4.1</b> NIAO Causeway Coast and Glens Borough Council Performance Improvement Audit 2018-19: Addendum to 2017018 Audit Strategy	<b>Noted</b>
<b>5</b>	Performance Improvement Update Plan	<b>Information</b>
<b>6</b>	Causeway Coast and Glens Borough Council (CC&GBC) Progress Reports	
	<b>6.1</b> Report to Those Charged with Governance 2015-2016 Progress Report as at June 2018	<b>Noted</b>
	<b>6.2</b> Report to Those Charged with Governance Progress Report as at June 2018	<b>Noted</b>
<b>7</b>	Internal Audit Reports – Causeway Coast and Glens Borough Council In-house	
	<b>7.1</b> Insurance	<b>Noted</b>
	<b>7.2</b> PCSP	<b>Noted</b>
	<b>6.3</b> Tenders and Contracts	<b>Noted</b>
	<b>6.4</b> Creditors	<b>Noted</b>
	<b>6.5</b> Prior year Recommendations	<b>Noted</b>
<b>8</b>	Internal Audit Reports – Moore Stephens	
	<b>8.1</b> Quarterly Update	<b>Noted</b>
<b>9</b>	Annual Reports	
	<b>9.1</b> Audit Committee Self-Assessment Checklist	<b>Noted</b>

No	Item	Summary of key Recommendations
<b>10</b>	Other Reports	
	<b>10.1</b> Absenteeism Report - ODHR Year End Return	<b><i>Noted</i></b>
	<b>10.2</b> Council Strategy Workshop	<b><i>Noted</i></b>
<b>11</b>	Matters for Reporting to Partnership Panel	<b><i>None</i></b>
<b>12</b>	Correspondence <ul style="list-style-type: none"> <li data-bbox="368 656 999 813">• NIAO – Audit of Proper Arrangements for Securing Economy, Efficiency and Effectiveness in the Use of Resources 2017-18</li> </ul>	<b><i>Noted</i></b>
<b>13</b>	Corporate Risk Management	<b><i>Noted</i></b>
<b>14</b>	Legal Cases Activity	<b><i>Noted</i></b>
<b>15</b>	Whistle Blowing/Fraud Update	<b><i>None</i></b>
<b>16</b>	Any Other Relevant Business	<b><i>None</i></b>

**MINUTES OF THE PROCEEDINGS OF THE MEETING OF  
THE AUDIT COMMITTEE  
HELD IN COUNCIL CHAMBER, CIVIC HEADQUARTERS ON  
WEDNESDAY 13 JUNE 2018 AT 7 PM**

**In the Chair:** Councillor P McShane

**Members Present:** Alderman Cole, Finlay and McKeown.  
Councillors Baird, Beattie, Blair, Holmes, Hunter,  
McCaw, McLean, McShane C and Watton

**Independent Member Present:** G Ireland

**Officers Present:** M Quinn, Director of Corporate Services  
D Wright, Chief Finance Officer  
S McMaw, Head of Performance  
J McCarron, Performance and Transformation  
Officer  
S Bradley, Internal Audit

**In Attendance:** C McHugh, Senior Internal Auditor, Moore  
Stephens

**1. APOLOGIES**

Apologies were recorded from Councillors Duddy, McGlinchey, and Deighan.

**2. DECLARATIONS OF INTEREST**

Declarations of Interest were recorded for Item 14, Councillor P McShane.

**3. MINUTES OF AUDIT COMMITTEE MEETING 14 MARCH 2018**

The Chair advised that the minutes of Audit Committee Meeting held 14 March 2018 had been ratified at the Council Meeting held Tuesday 27 March 2018.

#### 4. NORTHERN IRELAND AUDIT OFFICE (NIAO)

##### 4.1 NIAO Causeway Coast and Glens Borough Council Performance Improvement Audit 2018-19: Addendum to 2017-18 Audit Strategy

The Audit Committee received a covering letter and Addendum to the 2017-18 Audit Strategy, which was presented to Audit Committee in March.

The purpose of the addendum was to highlight to the Chief Financial Officer and the Audit Committee how NIAO plan to conduct an improvement audit and assessment.

The Addendum set out scope of NIAO work, the audit timetable, staffing and audit fees.

The Audit Committee **NOTED** the Addendum to the 2017-18 Audit Strategy.

#### 5. PERFORMANCE IMPROVEMENT PLAN UPDATE

The Audit Committee considered a report previously circulated, to provide Elected Members with an update on progress regarding the annual Corporate Performance Improvement Plan.

The annual Corporate Performance Improvement Plan is a requirement within the Local Government Act (NI) 2014. Elected Members agree the annual plan and progress updates are provided periodically. The plan is subject to an annual external audit process.

A progress update on the 2017/2018 Corporate Performance Improvement Plan circulated for information. Elected Members were asked to review the content and take the opportunity to seek further information should this be necessary with regard to the various projects that are detailed.

The Head of Performance informed members that a quarterly report would be produced going forward.

Councillor C McShane raised a number of comments including requesting more details on 85% Customer Satisfaction levels in relation to customer focused reception service (Issue 3). On issue 5 and 6, Leisure facility development in Coleraine and Ballycastle, Councillor C McShane noted that there was no reference to a Swimming Pool in Ballycastle, and expressed disappointment that the Ballymoney-Ballycastle Greenway funding had been unsuccessful, and further

information was requested in terms of statistics in relation to the Enterprise Zone.

Members noted the Planning Performance Indicators, commented on the large number of applications being referred to Committee and the associated resource implications. It was also noted that processes were currently being streamlined and the fluctuations in numbers of applications.

The Audit Committee **NOTED** the update on the Corporate Performance Improvement Plan.

## **6. CAUSEWAY COAST AND GLENS BOROUGH COUNCIL (CCGBC) – Progress Reports**

### **6.1 Report to Those Charged with Governance 2015-2016 Progress Report as at June 2018**

The Committee received a progress report on the Audit of 2015-2016 Financial Statements from NIAO RTTCWG. The report listed 13 Audit recommendations, management response and position at June 2018 on issues being addressed.

The Audit Committee **NOTED** the progress report.

### **6.2 Report to Those Charged with Governance 2016-17 Progress Report as at June 2018**

The Committee received a progress report on the Audit of 2016-2017 Financial Statements from NIAO RTTCWG. The report listed 14 Audit recommendations, management response and position at June 2018 on issues being addressed.

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The Audit Committee **NOTED** the progress report.

## **7. INTERNAL AUDIT REPORTS – CAUSEWAY COAST AND GLENS BOROUGH COUNCIL IN-HOUSE**

### **7.1 Insurance**

The **Internal Auditor** presented the Internal Audit Report which summarised the findings arising from a review of Insurance.

Throughout the audit examples of good practice were noted.

Based on the audit testing, the Internal Auditor was able to provide a satisfactory level of assurance. Overall there are a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.

The Audit identified one priority 2 recommendation, where controls could be enhanced.

### **Risk 1 – Insurance Held is inadequate to enable the Council to meet its legal requirements**

**Observation** - It was noted during the audit that Council does not have an Insurance Strategy in place.

**Recommendation** – That Council develop an insurance strategy which considers the insurance needs for Council, the structure of the overall level of risk and how Council will deal with insurance policy excesses.

#### **Management agreed with the recommendation.**

Councillor Baird enquired if “Self-Insurance” was an option with Council. The Director of Corporate Services advised that a few Council’s within Northern Ireland currently self-insure, and advised that a professional dedicated team was required to adequately resource this service – Insurance Professionals, Qualified claims Investigators and a Legal team. It was agreed this could be considered further in the future. The Director of Corporate Services confirmed that the Insurance Services were tendered as part of a cluster wide procurement exercise in 2015.

Proposed by Councillor Baird and  
Seconded by Councillor Hunter

That Council develop an insurance strategy which considers the insurance needs for Council, the structure of the overall level of risk and how Council will deal with insurance policy excesses.

## **7.2 PCSP**

The Director of Corporate Services presented the Internal Audit Report which summarised the findings arising from a review of the Policing and Community Safety Partnership.

Throughout the audit examples of good practice were noted.

Based on the audit testing, the Internal Auditor was able to provide a satisfactory level of assurance. Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified this should not significantly impact on the achievement of system objectives.

There were no findings or recommendations made relating to the risks identified.

Proposed by Councillor Baird and  
Seconded by Councillor Hunter

To recommend that Council note the PCSP Audit report.

## **8. INTERNAL AUDIT REPORTS – MOORE STEPHENS**

### **8.1 Quarterly Update**

The Audit Committee received a Quarterly Internal Audit Report outlining work carried out during the period April to June 2018.

The report set out progress against planned work; issues arising from work period reported and Audits planned for the period July to September 2018.

Proposed by Councillor Hunter  
Seconded by Councillor Watton  
And agreed to recommend that Council note the report.

## **9. ANNUAL REPORTS**

### **9.1 Audit Committee Self-Assessment Checklist**

At the previous Audit Committee meeting held in March 2018 it was agreed that all Audit Committee Members (including the Independent Member) would carry out an assessment of the Audit Committee by completing a Self-Assessment Checklist. While completion of the Self-Assessment Checklist is not a requirement, it does represent good practice with regard to Audit Committees and the standards to which the Council should aspire.

The checklist is based on the CIPFA developed Audit Committee Self-Assessment guidance included as part of their Guide on Audit

Committees in Local Authorities. It contains a list of questions covering areas such as membership, terms of reference, internal audit, internal control, financial reporting, external audit, meetings, training and administration.

It is proposed that members of the Audit Committee are given the opportunity to review the questionnaire in advance of the Audit Committee meeting of 13 June so that they can seek any clarification from Internal Audit at that meeting.

As previously agreed; once the members have completed and submitted the questionnaires Internal Audit will collate and summarise the results and present a summary report of the key findings, with recommendations (if applicable) at a future meeting of the Audit Committee.

A regular self-assessment can be used to support the planning of the audit committee work programme and improve the effectiveness of the committee.

In response to a query from the Independent Member regarding personnel attributes in relation to identifying a skills gap with Audit Committee members, the Internal Auditor (Moore Stephens) advised that the self-assessment checklist was based on CIPFA Guidance. CHECK WITH CATRIONA

Proposed by Councillor Holmes  
Seconded by Councillor Hunter

And agreed to recommend that Council note the report.

## 10. OTHER REPORTS

### 10.1 Absenteeism Report (ODHR – Year End Return 2017)

The Audit Committee received a confidential report to provide members with details and analysis of the Annual Absenteeism figures. The Year-End figures have now been collated and the analysis complete.

The following documents were attached to the report:



- Details of Absence Report – providing information on days lost, short and long term absence.
- Pie Chart – illustrating the reasons for absence and associated percentages
- Variance Report – comparing current year end 2017/18 to last year end 2016/17.

The Director of Corporate Services responded to queries including workplace pro-active and reactive measures and occupational health provision.

The report was **NOTED** by the Audit Committee.

## 10.2 Corporate Strategy – Workshop Update

The Director of Corporate Services updated Members on Corporate Strategy Annual Review which had taken place on Saturday 12 May 2018 in Portrush Town Hall. In terms of preparation for the Corporate Strategy for the next term of Council 2019-2023, a workshop will be arranged during Autumn to commence this work.

Councillor Holmes welcomed this information and progress to date.

## 11. MATTERS FOR REPORTING TO PARTNERSHIP PANEL

There were no items for reporting to the Partnership Panel.

## 12. CORRESPONDENCE

The Audit Committee were advised of the following items of correspondence:

- NIAO – Audit of Proper Arrangements for Securing Economy, Efficiency and Effectiveness in the use of Resources 2017/18

**AGREED** - to note the correspondence outlined.

### MOTION TO PROCEED ‘IN COMMITTEE’

Proposed by Holmes

Seconded by Watton and

**AGREED** - that the Committee proceeds to conduct the following business ‘In Committee’.

## 13. CORPORATE RISK MANAGEMENT

The Director of Corporate Services presented Council's Summary Risk Matrix June 2018, and provided Committee with explanation on the presentation of the information and how the Risk Management process has evolved.

Members discussed the risks, in particular the costs associated with legal challenges to the Planning process, Managing the expectation of legacy Capital Projects and ICT threats.

The Director agreed to forward the narrative behind the Corporate Risk Register to members.

The Audit Committee **NOTED** the update on Corporate Risk Management.

#### **14. LEGAL CASES ACTIVITY**

Members received, for information, a confidential updated report with regard to the Council's legal cases.

The report was **NOTED** by the Audit Committee.

#### **15. WHISTLEBLOWING/FRAUD**

The Director of Corporate Services reported that there had been no whistleblowing/fraud incidents during the quarter.

#### **MOTION TO PROCEED 'IN PUBLIC'**

Proposed by Councillor Beattie

Seconded by Councillor Hunter and

**AGREED** - that the Committee would conduct the remainder of the business 'In Public'.

#### **16. ANY OTHER RELEVANT BUSINESS (IN ACCORDANCE WITH STANDING ORDER 12 (O))**

There was no other relevant business.

#### **17. DATE OF MEETING**

- 19 September 2018

There being no other business, the Chair thanked members for their attendance and the business concluded at 8:11 pm.

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Chair