



**AUDIT COMMITTEE MEETING WEDNESDAY 11 DECEMBER 2019**

<b>No</b>	<b>Item</b>	<b>Summary of key Recommendations</b>
1.	Apologies	<b><i>Aldermen Finlay and McKeown Councillors Nicholl and Watton</i></b>
2.	Declarations of Interest	<b><i>None</i></b>
3.	Minutes of Audit Committee Meeting Wednesday 18 September 2019 (Summary)	<b><i>Information</i></b>
4	Minutes of Special Audit Committee Meeting Thursday 14 November 2019, Reconvened Thursday 21 November 2019 (Summary)	<b><i>Information C Kane NIAO clarification</i></b>
5.	Northern Ireland Audit Office (NIAO)	
	5.1 Draft Report to Those Charged With Governance	<b><i>Information</i></b>
	5.2 Performance Audit and Assessment Report	<b><i>Information</i></b>
6.	Annual Internal Audit Plan 2019-2020	<b><i>Approve</i></b>
7.	Direct Awards Contracts	<b><i>Information</i></b>
8.	Full Council Powers	<b><i>Defer until Meeting of Working Governance Group</i></b>
9.	Absence Report Months 1-6 20-19/2020	<b><i>Information</i></b>
10.	Report to Those Charge With Governance 2019 – Progress Report as at December 2019	<b><i>Information</i></b>

No	Item	Summary of key Recommendations
11.	Council Strategy Workshop	<b><i>Members Workshop Saturday 25 January 2020</i></b>
12.	Matters for Reporting to Partnership Panel	<b><i>None</i></b>
13.	Correspondence	
	<b>13.1</b> Learning The Lessons of Performance Improvement: A Good Practice Briefing (NIAO)	<b><i>Note</i></b>
	<b>IN COMMITTEE (ITEMS 14 – 16 INCLUSIVE)</b>	
14.	Corporate Risk Matrix	<b><i>Information Members Workshop March 2020</i></b>
15.	Legal Cases Activity	<b><i>Information</i></b>
16.	Whistle Blowing/Fraud	<b><i>None</i></b>
17.	Any Other Relevant Business (notified in accordance with Standing Order 12( o))	<b><i>None</i></b>
18.	Date of Next Meeting – Wednesday 11 March 2020	<b><i>Information</i></b>

**MINUTES OF THE PROCEEDINGS OF THE MEETING OF  
THE AUDIT COMMITTEE  
HELD IN COUNCIL CHAMBER, CIVIC HEADQUARTERS ON  
WEDNESDAY 11 DECEMBER 2019 AT 7PM**

- In the Chair:** Councillor McAuley
- Members Present:** Alderman McCandless  
Councillors Anderson, Beattie, Holmes,  
Mulholland, McMullan, Peacock, Quigley, Scott,  
Schenning and Wallace
- Independent Member Present:** G Ireland
- Officers Present:** M Quinn, Director of Corporate Services  
D Wright, Chief Finance Officer  
Committee & Member Services Officer
- In Attendance:** C McHugh, Senior Internal Auditor, Moore (NI)  
C Kane, Director, Northern Ireland Audit Office

**SUBSTITUTIONS**

Councillor Holmes substituted for Alderman McKeown.

**1. APOLOGIES**

Apologies were recorded for Alderman Finlay and McKeown and Councillors Nicholl and Watton. Councillor Mulholland had informed the Committee that she had been delayed.

**2. DECLARATIONS OF INTEREST**

There were no Declarations of Interest.

**3. MINUTES OF AUDIT COMMITTEE MEETING HELD THURSDAY 18  
SEPTEMBER 2019**

The summary minutes of the Audit Committee meeting held 18 September 2019 were received and noted.

#### **4. MINUTES OF SPECIAL AUDIT COMMITTEE MEETING HELD THURSDAY 14 NOVEMBER 2019, RECONVENED THURSDAY 21 NOVEMBER 2019**

Councillor Peacock stated that apologies for Councillor Nicholl had not been recorded in the minutes on 21 November 2019.

Councillor Quigley stated that the minutes did not reflect what had been discussed. The Director of Corporate Policy and Resources advised that the concerns raised by Councillor P McShane had been included in the minutes from the Council Meeting held 3 December 2019.

C Kane, Director, Northern Ireland Audit Office referred Members to the minutes of the Special Audit Committee held on 21 November 2019.

She informed Members that prior to this meeting she was contacted by Mrs G Ireland, Independent Audit Committee Member and that advice was given as that of Local Government Audit in accordance with their role and responsibilities. She stated that it was their view that the minutes do not accurately reflect the substance of the discussion that she had with Mrs Ireland. She stated that the following advice was given:

- There should be a clear basis for any investigation founded on solid evidence.
- The Committee was advised to seek where the authority for procuring such an investigation might come from (thus advising to look at the Audit Committee's Terms of Reference and the Fraud Policy).
- The possible cost of such an investigation was discussed as it was considered it could be considerable dependent upon the scope of any investigation and may require procurement processes and authorisation by full Council.
- The outcome of any investigation was also discussed and where it might lead should also form part of any consideration.
- Finally the issue of building relationships between Councillors and Officers was mentioned as some of the matters raised during debates we had witnessed seemed to indicate this was an important matter.

The Independent Member, concurred with this, and agreed that this was her recollection. She advised that she spoke at great length at the previous Audit Committee where a number of issues were raised. She emphasised the need for effective governance arrangements and that if

an investigation was to be carried out, the process could be taken forward in 2 parts, as previously discussed at the Audit Committee. If an investigation was to be carried out the first step would be to establish evidence of a misdemeanour, and pending the outcome of this, the second step would be for consideration by HR.

Councillor Quigley stated that she wished to inform G Ireland, that at the Council Meeting on 3 December 2019 it was agreed to hold a Special Audit Committee Meeting, however since this there had been a 'Call-In'. Councillor Quigley also stated that a second 'Call In' had been submitted in relation to the acceptance of the report produced by Moore NI and the terms of Reference that they were working under, as set out. She had deep concern?

In response to a query from Councillor Holmes, regarding evidence versus suspicions, C Kane commented that there should be a clear basis for any investigation founded on solid evidence, considered alongside the business case on spending money, and further stated that the considerations – enough to bring forward a proposal to investigate, versus solid evidence and this was really a judgement call.

In response to a query from Councillor Quigley in relation to the possibility of Council seeking independent advice, G Ireland clarified that she was not able to give advice as she was an Independent Member but could only give her opinion; she had not seen any evidence and nor did she wish to. The issue of an investigation has to be a judgement call of Members, particularly what it would cost, should a professional firm take it on board, it may not come cheap.

Proposed by Councillor Peacock  
Seconded by Councillor Scott and

**AGREED** – that the summary of the minutes of the Audit Committee Meeting held Thursday 14 November 2019, reconvened Thursday 21 November 2019 were received and noted.

## **5. NORTHERN IRELAND AUDIT OFFICE (NIAO)**

### **5.1 Draft Report to Those Charged With Governance**

Report, previously circulated, presented by C Kane, Director, Northern Ireland Audit Office.

C Kane referred to the draft version of the report presented at the September Audit Committee Meeting.

She advised Members that since the meeting the financial statements of the Council have been certified by the Local Government Auditor on 2 October 2019 and that a meeting had taken place with the Chief Executive to discuss the findings within the report. The report now includes management's responses to their recommendations, all of which have been accepted and implementation underway or planned.

Agenda item 10 indicates the progress being made in implementing the actions coming from our recommendations.

Councillor Holmes raised in relation to the length of time it had taken to bring forward the Capital Assets Management Strategy and Land and Property registration and that it would be April 2020 before this would be presented to the full Council Meeting.

The Director of Corporate Services stated that following consultation with both Elected Members and Officers which commenced in April, the Draft Capital Asset Management Strategy has been developed and presented to Land and Property Sub-Committee in October for consultation with Members, along with a Draft Land and Property Policy Document. The item was presented again in November. Members requested further time to consider and a workshop has been arranged for January 2020.

The Director of Corporate Services informed Members that all Service Business Continuity Plans sat under Environmental Services as part of Emergency Planning. She further advised that whilst informal arrangements were in place in some service areas, these were in the process of being formalised and documented, with an expected completion date of January 2020.

In relation to the Purchase Order Process the Head of Finance informed Members that the roll out of the electronic procedure had now taken place at all sites, with a few wrinkles still to iron out; it was anticipated that this would be rolled out 7 January 2020.

In response to Councillor Beattie's concern in relation to the vacant post of Procurement Officer the Head of Finance clarified that the Officer was under secondment and that he was overseeing Procurement at present, and in addition was allocating some duties to other Officers.

The Head of Finance confirmed that there was no simple register for contracts that had been awarded running over their scheduled time; a register was currently being updated.

In relation to a query from Councillor McMullan, the Head of Finance confirmed that an Asset Valuation took place every 5 years and that a small number of Heritage Assets were not available for valuation; this was currently being looked at.

## **5.2 Performance Audit and Assessment Report**

Report, previously circulated, presented by C Kane, Director, Northern Ireland Audit Office.

C Kane informed Members that the Local Government Auditor (LGA) had now completed the Performance Improvement Audit and Assessment as required under the Local Government (Northern Ireland) Act 2014. The report summarises the findings and opinions from this work.

The Local Government Auditor's opinion and assessment are set on page 3 of the document and has given an unqualified audit opinion in respect of the Council discharging its performance improvement and reporting duties, including its assessment of performance for 2018-19 and its 2019-20 improvement plan and has acted in accordance with the guidance.

The LGA has, for the first time since this legislation, given an assessment as to whether Council were able to demonstrate a track record of improvement. Whilst the LGA noted there were some indications that Council did demonstrate improvement, the Performance Management Systems and Council structures were still not fully embedded in this Council. The LGA therefore concluded the Council was unlikely to comply with the requirements of the legislation.

As part of this audit, proposals were raised for improvement and review of previous proposals for improvement to assess if action has been taken to implement these. 2 new proposals were raised for improvement (pages 6/7 of the report) and of the 41 PFI's carried forward, 21 have been implemented leaving 20 to be implemented going forward (pages 11-19).

C Kane referred Members to Item 13.1 on the agenda – Learning Lessons of Performance Improvement – A Good Practice Briefing. She informed Members that this briefing is designed to highlight good practice to assist Councils in fulfilling the statutory responsibilities for Councils to make arrangements for, and report on, continuous improvement in their functions and services.

Members noted the correspondence.

## 6. ANNUAL INTERNAL AUDIT PLAN

Report, previously circulated, presented by the C McHugh, Senior Internal Auditor, Moore (NI)

### \* **Councillor Mulholland arrived at the meeting at 7.45pm.**

C McHugh informed Members that the new In-House Auditor would be commencing employment at the start of January 2020.

**AGREED** – to recommend that Council approve the Annual Internal Audit Plan 2019/2020 as presented.

## 7. DIRECT AWARDS CONTRACTS (DAC)

Information Report previously circulated, presented by the Chief Finance Officer.

The purpose of this report is to inform members of those DAC's which have been approved since 1 April 2019 which are listed in the report, it should be noted that none of these required Council approval at the point of award.

Causeway Coast and Glens Borough Council approved an updated Procurement Policy in March 2019.

The new policy addresses a number of recommendations that had been made in reference to the old policy. One such recommendation was the inclusion of guidance around single tender actions or Direct Award Contracts (DAC). The policy gives guidance and sets out a procedure to follow in such circumstances.

In all cases where Council staff are considering the use of the award of a contract without competition, they must seek guidance from the Procurement Officer before proceeding as such an approach will be easily challenged in the courts unless rigorously supported by appropriate documentation and completed in accordance with the legislative requirements.

When a member of Council staff has spoken with the Procurement Officer - and discussed all the alternative options available - and wishes to proceed with the award of a contract without competition the staff member should seek approval of their approach from the Senior Management Team before seeking Council approval to award.



A detailed report should be completed by the member of staff requesting the contract award explaining their rationale and the consideration given to all alternative options in conjunction with discussions between the staff member and the procurement officer. The template provided in **Annexe 6 – Direct Award Contract Form** should be fully completed by the member of staff requesting the contract award.

Once completed, this document will require authorisation from the Senior Management Team before proceeding to the relevant committee for consideration. Upon agreement from the Council the staff member should contract the procurement officer to assist with the contract award to the chosen supplier.

## **8. ANNUAL ACCOUNTS - FULL COUNCIL POWERS**

Information Report previously circulated, presented by the Chief Finance Officer.

Causeway Coast and Glens Borough Council must have its audited accounts approved by 30 September annually.

Council recently amended its schedule of meetings meaning that full Council now meets on the first Tuesday of every month. Consequently the annual accounts for year ended 31 March 2019 were not approved by Council until 1 October 2019.

In order to ensure that Council complies with current regulations it is necessary therefore to put arrangements in place to ensure that the capability is available to meet these requirements. Granting the Audit Committee full Council powers for the purposes of approving the annual accounts would allow this to happen.

**It is recommended** that the Audit Committee be granted full Council powers for the purpose of approving the annual accounts.

Councillor Holmes felt that the Council Meeting should be moved to its original position of the 4<sup>th</sup> Tuesday of each month.

Proposed by Councillor Holmes  
Seconded by Councillor Scott

- that the decision be deferred until the New Year in order for the Governance Working Group to meet to revise the Committee dates, in particular the full Council Meeting to take place on the 4<sup>th</sup> Tuesday of

each month, in order for all Members to review and approve the accounts.

The Chair put the proposal to the Committee to Vote. 10 Members voted For, 0 Members voted Against and 2 Members abstained.

The Chair declared the Motion **CARRIED**.

## **9. ABSENTEEISM REPORT QUARTER 2 2019/2020**

Information report previously circulated, presented by the Director of Corporate Services.

The purpose of this report is to provide Members with Quarter 2 (April-September 2019/2020) information regarding Absenteeism throughout the Council.

Absenteeism within the Council is closely monitored and reviewed in accordance with Policies and Procedures, and in line with NJC Terms and Conditions.

ODHR Business Partners work closely with each of the Directorates, Managers and Supervisors to assist and support through a range of preventative proactive measures alongside the reactive including referrals to Occupational Health, absence review meetings, referrals for Ill Health Retirement.

The Performance Improvement Plan was agreed by Council in June 2019. Objective 4 of the Plan 2019/2020 "We will lower staff absenteeism rates" Included in the report is an extract from the Plan.

### **Outcomes**

- A 5% reduction in the number of days lost to Council through long term sickness (9,404.98 days in 2018/19)
- A 5% reduction in the average number of days lost per employee through sickness absenteeism (17.06 days per employee in 2018/19)
- We will reduce the average time for an Occupational Health Review from 4 weeks to 2 weeks by September 2019
- 150 staff members will take part in the Council's new physical wellbeing activities and events

	6 months ending 30/9/18	Target for year	6 months ending 30/9/19	On Target/ Not On Target
Average number of days lost per employee through sickness absenteeism	8.00	7.60 (5% reduction)	7.97 (0.38% reduction)	Reduction at Quarter 2, moving to target
Number of Days lost to Council through long term sickness	4573.43	4344.76 (5% reduction)	4447.25 (2.8% reduction)	Reduction at Quarter 2, moving to target
Average time for an Occupational Health Review - We will reduce the average time for an Occupational health Review from 4 weeks to 2 weeks by September 2019	4 weeks	2 weeks (from 4 weeks to 2 weeks)	2 weeks	On Target
Staff members will take part in the Council's new physical wellbeing activities and events		150 staff	At least 201	On Target

This quarterly report will continue to be provided to the Audit Committee, and the information will also be feed through Council's Performance Improvement Plan.

**It is recommended** that Council notes the report presented.

The Director of Corporate Services informed Members that the new Attendance Improvement Policy was presented to the Corporate Policy & Resources Committee in November. Members had requested further time to review the policy which was to be brought

back to the Corporate Policy & Resources Committee in January 2020.

In response to a query from Councillor Holmes, the Director of Corporate Services clarified that Council did not use the Bradford factor but a similar process within the policy.

\* **Councillor Quigley left the meeting at 7.55pm.**

The Director of Corporate Services stated that Long Term Sickness was a challenge and that Council was trying to bring forward options for employees much earlier.

\* **Councillor Quigley re-joined the meeting at 7.58pm.**

\* **Councillor Wallace left the meeting at 7.58pm.**

Councillor Mulholland voiced concerns in relation to the high figure of 43.19% of employees that were on long term sickness due to stress, and that there was a need to find out the issues behind this; there was nothing in the Performance Improvement Plan to improve mental health.

The Director of Corporate Services clarified that half of the stress was work related and the other half domestic stress. She confirmed that there were a number of initiatives throughout Councils to address this.

**AGREED** - that Council notes the report presented.

**10. REPORT TO THOSE CHARGED WITH GOVERNANCE 2019 –  
PROGRESS REPORT AS AT DECEMBER 2019**

Information report previously circulated, presented by the Director of Corporate Services.

This report indicates the progress being made in implementing the actions coming from recommendations from Item 5.1 Report to those Charged with Governance.

The Director of Corporate Services stated that some recommendations had been implemented and some were currently in progress; lots of work had been carried out in relation to Policies and Procedures. She informed Members that updates would be brought through both the Audit Committee and some through Land and Property. The next report would be March 2020.

## **11. COUNCIL STRATEGY WORKSHOP**

The Director of Corporate Services informed Members that the Council Strategy Workshop that was cancelled due to the election would now take place on Saturday 25 January 2020; the format would remain the same.

## **12. MATTERS FOR REPORTING TO PARTNERSHIP PANEL**

There were no matters for reporting to the Partnership Panel.

## **13. CORRESPONDENCE**

The Audit Committee were advised of the following item of correspondence for information:

### **13.1 Learning The Lessons of Performance Improvement: A Good Practice Briefing (NIAO)**

Correspondence was received from NIAO in relation to Learning the Lessons of Performance Improvement : A Good Practice. This was addressed in Agenda Item 5.2.

## **MOTION TO PROCEED 'IN COMMITTEE'**

Proposed by Councillor Beattie  
Seconded by Councillor Scott and

**AGREED** – that the Committee proceed to conduct the following business '*In Committee*'

## **14. CORPORATE RISK MATRIX**

Confidential report, previously circulated, presented by the Director of Corporate Services.

The Director of Corporate Services advised that she expected to hold a 45 minute Workshop for Members in March 2020.

## **15. LEGAL CASES ACTIVITY**

Confidential report, previously circulated, presented by the Director of Corporate Services.

The Director of Corporate Services informed Members that the template was in the process of being merged in terms of layout.

**16. WHISTLE BLOWING /FRAUD**

The Director of Corporate Services advised there were no new disclosures within the last quarter.

**MOTION TO PROCEED 'IN PUBLIC'**

Proposed by Councillor Peacock

Seconded by Councillor Scott

**AGREED** - that the Committee proceed to conduct the following business '*In Public*'.

**17. ANY OTHER RELEVANT BUSINESS (NOTIFIED IN ACCORDANCE WITH STANDING ORDER 12 (O))**

There was no other relevant business.

**18. DATE OF NEXT MEETING**

The next Audit Committee Meeting would convene on Wednesday 11 March 2020.

There being no other business, the Chair thanked Members for their attendance and the business concluded at **8.15pm**.

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Chair