

**AUDIT COMMITTEE MEETING WEDNESDAY 9 JUNE 2021**

<b>No</b>	<b>Item</b>	<b>Summary of key Recommendations</b>
<b>3.</b>	Minutes of Audit Committee Meeting held Wednesday 10 <sup>th</sup> March 2021	<b><i>Confirmed</i></b>
<b>4.</b>	Northern Ireland Audit Office (NIAO)	
	<b>4.1</b> Revised Report to Those Charged with Governance 2019/20 (report attached)	<b><i>that Council identify a Resource and finance, so this can be expedited as quickly as possible.</i></b>  <b><i>that Council note the Revised Report to Those Charged with Governance 2019/20</i></b>
<b>5.</b>	Annual Accounts 2019/2020	<b><i>that Council approve of the Draft 19/20 Annual Statement of Accounts as presented on condition that NIAO return an unqualified audit opinion of the Draft Accounts.</i></b>
<b>6.</b>	Internal Audit (Causeway Coast and Glens Borough Council)	
	<b>6.1</b> Fleet Management	<b><i>that Council note the Internal Audit, Fleet Management report</i></b>
	<b>6.2</b> Annual Internal Audit Plan and Resourcing for 2021/22	<b><i>that Council approves the Annual Internal Audit Plan &amp; Resources 2021/22</i></b>

No	Item	Summary of key Recommendations
	6.3 Internal Audit Assurance Report 2020/21	<b><i>That Council note the Annual Internal Audit Assurance Report</i></b>
	<u>Questionnaires completed</u>	
	6.4 NIAO Fraud Assessment Questionnaire 2020/21	<b><i>Information</i></b>
	6.5 Proper Arrangement Questionnaire 2020/21	<b><i>Information</i></b>
7.	Internal Audit (Moore NI LLP)	
	7.1 ICT	<b><i>that Council note the Internal Audit ICT report</i></b>
	7.2 Performance Management	<b><i>that Council note the Internal Audit Performance Improvement report</i></b>
	7.3 PCSP	<b><i>that Council note the Internal Audit PCSP report</i></b>
	7.4 Treasury Management	<b><i>that Council note the Internal Audit Treasury Management report</i></b>
	7.5 Review of Prior Year Recommendations	<b><i>that SLT develop an Action Plan as a matter of urgency, to be brought back in 1-2 months' time</i></b>
8.	Direct Award Contracts	<b><i>Information</i></b>
9.	Absence Report Quarter 1- 4, 2020/2021	<b><i>that Council notes the report presented</i></b>
10.	Matters for Reporting to Partnership Panel	<b><i>Nil</i></b>
11.	Correspondence	<b><i>Nil</i></b>
	<b>'IN COMMITTEE' (Items 12-14 inclusive)</b>	
12.	Corporate Risk Matrix	<b><i>that Council accept the Corporate Risk Matrix</i></b>

No	Item	Summary of key Recommendations
13.	Legal Cases Activity	<i>Information</i>
14.	Whistle Blowing /Fraud	<i>that the Chief Executive has nothing further to do with this; and following the guidance of the Organisations already expressed their views on how to proceed</i>
15.	Any Other Relevant Business (notified in accordance with Standing Order 12(o))	<i>Nil</i>
16.	Date of Next Meeting – Thursday 16 September 2021 at 7PM	<i>Received</i>

**MINUTES OF THE PROCEEDINGS OF THE MEETING OF  
THE AUDIT COMMITTEE  
HELD IN COUNCIL CHAMBER CIVIC HEADQUARTERS AND VIA VIDEO  
CONFERENCE ON  
WEDNESDAY 11 JUNE 2021 AT 7PM**

**In the Chair:** Councillor Nicholl, Chair (C)

**Members Present:** Alderman Robinson (C), McKeown (R), S McKillop (C);  
Councillors Beattie (R), Callan (R), Dallat O'Driscoll  
(R), Holmes (C) MA McKillop (R), McMullan (R)  
McQuillan (C), P McShane (R), Peacock (R),  
Schenning (R), Wallace (C), Watton (C)

**Ind. Member Present:** L Mitchell (C)

**Officers Present:** M Quinn, Director of Corporate Services (C)  
A McPeake, Director Environmental Services (R)  
M Smyth, Finance Director (Interim) (R)  
P McColgan, Head of ICT (R)  
D Wright, Chief Finance Officer (R)  
A Ruddy, Audit, Risk & Governance Officer (C)  
K Mailey, HR Business Partner Organisation Development (R)  
S Duggan, Civic Support & Committee and Member Services Officer  
(C)

**In Attendance:** C Kane, Director, NI Audit Office (R)  
C McHugh, Internal Auditor, Moore (NI) (R)  
  
A Lennox, ICT Mobile Operations Officer (C)  
C Thompson, ICT Officer (C)  
  
Press (1no.)

**Key:** (R) = Remotely in attendance  
(C) = Attended in The Chamber

The Chair, Councillor Nicholl addressed Committee:

*"Welcome to the Audit Committee Meeting.*

*I extend a welcome to members of the press and public in attendance.  
You will be required to leave the meeting when Council goes into  
committee. You will be readmitted by Democratic Services Officers as  
soon as the meeting comes out of committee. I would also remind you*

*that the taking of photographs of proceedings or the recording of proceedings for others to see or hear is prohibited.*

*If you are having technical difficulties try dialling in to the meeting on the Telephone number and Conference ID stated.*

*If you continue to have difficulties please contact the number provided on the chat at the beginning of the meeting for Democratic Services staff and ICT staff depending on your query.*

*The meeting will pause to try to reconnect you.*

*Once you are connected*

- *Mute your microphone when not speaking.*
- *Use the chat facility to indicate to that you wish to speak. The chat should not be used to propose or second.*
- *Please also use the chat to indicate when you are leaving the meeting if you are leaving before the meeting ends.*
- *Unmute your microphone and turn your camera on when you are invited to speak.*
- *Only speak when invited to do so.*
- *Members are reminded that you must be heard and where possible be seen to all others in attendance to be considered present and voting or your vote cannot be counted”.*

## **SUBSTITUTION**

Councillor Callan substituted for Councillor Anderson.

### **1. APOLOGIES**

There were no apologies recorded.

### **2. DECLARATIONS OF INTEREST**

There were no Declarations of Interest.

### **3. MINUTES OF AUDIT COMMITTEE MEETING HELD WEDNESDAY 10<sup>TH</sup> MARCH 2021**

Summary, previously circulated.

The Minutes of the Audit Committee meeting held Wednesday 10 March 2021 were confirmed as a correct record.

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

The Chair invited C Kane to present.

##### **4.1 Revised Report to Those Charged with Governance 2019/20**

Report, previously circulated.

C Kane advised she had written to the Chief Executive and the Accounts would now move to certification.

C Kane drew Committee's attention to the following areas within the report:

Page 3; It is proposed that the Local Government Auditor (LGA) will report on the 2019-20 financial statements with an unqualified audit opinion, without modification;

Page 4; Audit Judgment – Another Audit Judgment had been identified – Title of Properties – C Kane outlined the process that followed. Council presented ten properties which were included in the Fixed Asset Register and Balance Sheet at 31 March 2020 where Council title had not been confirmed. Portstewart Town Hall and Bushmills Community Centre have been removed from the Balance Sheet. The processes to obtain title to the other eight properties, which had a Net Book Value of £3,788,000 at 31 March 2020 continues. Coleraine Town Hall shall remain on the Balance Sheet as confirmation of Title about to pass, has been received.

Page 11; Council Title is a Priority 1 recommendation, Council should ensure that it secures title for all properties included in the Fixed Assets Register and Balance Sheet as a matter of urgency.

C Kane invited questions.

L Mitchell commented it was good to receive unqualified Audit Opinion and Accounts certified in the next few weeks. Concern was highlighted of the nine Priority 1 recommendations, specifically the fixed asset register and requested a comment from Management in relation to timescales.

The Director of Corporate Services advised a comprehensive exercise had been undertaken along with the Land and Property Solicitor, a report had been taken to the Land and Property Sub Committee, Coleraine Town Hall had now been resolved and Bushmills Community Centre ongoing, there were seven lesser value properties including former Housing Executive sites; an updated report now being presented quarterly to the Land and Property Sub

Committee and a dual approach of Title and First Registration was underway.

The Director of Corporate Services responded to queries in relation to the report:

- Agency staff was allocated over 80% of Director of Environmental Services and Director Leisure and Development, a Tier 6-7 structuring exercise was underway and required agreement of Posts, Terms and Conditions and Roles. A progress report would be brought back. There would always be a need for seasonal staff whilst appreciating the matter unacceptable and does need to change.
- An Asset Title quarterly progress report would be brought to Corporate Policy & Resources Committee, the highest value properties being progressed first, and reassurance given a plan in place.
- First Registration would take approximately 3-5years with Council resources.
- The Progress Report to Those Charged with Governance would be brought back in September, and clarified two or three Priority 1 areas may drop, but would be a matter for the Northern Ireland Audit Office
- Confirmation of additional percentages on the rates plus one third Employee costs would add to the Salary budget in the instance Agency were employed.

In response to questions, C Kane further advised

- Field work was ongoing on the Extraordinary Audit, co-operation from the Council good, an indicative timescale of mid-late Summer for conclusion. She had written to the Chief Executive and approximate cost was £70,000. C Kane advised she was not in the position to estimate the cost of a forensic audit.

Councillor P McShane requested that it was noted he could not support the Findings given that so much had happened. He advised Council require a resource to expedite the process of Land registration and assets.

Proposed by Councillor P McShane

Seconded by Councillor Peacock

- to recommend that Council identify a Resource and finance so this can be expedited as quickly as possible.

The Director of Corporate Services advised a recent decision arising from Land and Property Sub Committee regarding additional resource had been approved by Council for a Solicitor and admin support for one year.

Councillor McQuillan felt costing of the proposal over a specific timescale was required.

The Chair put the motion by Councillor P McShane, seconded by Councillor Peacock to the Committee to vote.

8 Members voted For; 8 Members voted Against;

The Chair placed his casting vote For.

The Chair declared the motion carried.

Proposed by Councillor McQuillan

Seconded by Councillor McMullan and

**AGREED** – to recommend that Council note the Revised Report to Those Charged with Governance 2019/20.

## **5. ANNUAL ACCOUNTS 2019/2020**

Report, previously circulated, presented by the Finance Director (Interim) as read.

The purpose of this report is to present the annual accounts for Causeway Coast and Glens Borough Council for the financial year ended 31 March 2020 for approval.

### **Background**

Councils and other public bodies are required to prepare and submit to the Department for Communities (DfC) by 30th June each year their draft annual accounts for the previous financial period. Due to the COVID 19 pandemic this was extended to 31st August for 2020. I am pleased to report that Council complied with this requirement submitting Council's accounts on 7th August. Under current regulation the approval of the accounts now occurs after completion of the external audit meaning Council are approving what will eventually be published. The deadline for this is normally 30th September each year however again because of the ongoing pandemic it was postponed to 31st December. The main financial audit was completed in time for this deadline.

NIAO decided they would not certify the financial statements for 19/20 by 31st December 2020 as planned pending their assessment of the extraordinary audit request by DfC.

The Annual Accounts were then subsequently prepared in conjunction with the NIAO post their initial extraordinary audit assessment, and



certified, and the Annual Accounts were resubmitted to the Audit Committee on 10th March 2021.

On 10th March 2021, new information was brought to attention of the NIAO and Council, relating to rights of ownership of 10 properties within the accounts and valued on the 31st March 2020 at £5,951,835. As such, Council withdrew the 19/20 Annual Accounts from the Audit Committee pending further investigation.

Further investigation showed that Portstewart Town Hall and Bushmills Community Centre, that were used and maintained by the council for a significant number of years, no legal title over the assets was held by council. As such, Portstewart Town Hall and Bushmills Community Centre, with a combined value of £2,163,336, was removed from the 19/20 Annual Accounts.

A further 8 properties valued at a combined total of £3,788,499 have been identified where legal title is in question and remain under further investigation. Council have retained these assets within the Annual Accounts until a full investigation on asset title is complete.

A Disclosure Note and Prior Year Adjustment have been completed in the 19/20 accounts in line with accounting standards explaining these points. These actions were communicated with the NIAO who as at 1st June, 2021 have the 19/20 Accounts for consideration, and an expected response is imminent.

### **Detail**

Attached as an appendix (circulated) is a copy of the Draft 19/20 Annual Statement of Accounts for Causeway Coast and Glens Borough Council.

The impact of removing £2.163M assets from the accounts is dealt with as a Prior Year Adjustment and reduces the overall Council Reserve by this amount, through Unusable Reserves, as highlighted in The Movement of Reserves.

The main figure members will be interested remains unchanged and can be found in being the Movement in Reserves statement which details an in-year movement in the General Fund Summary of an increase of £8k giving a carrying total of £3,770k. Under DfC regulations we are recommended to carry a minimum fund balance in the range of 5% to 7.5% of our Net Operating Expenditure (£64,339k) which translates into a recommended balance of between £3,217k and £4,825k. Causeway Coast and Glens Borough Council is within the acceptable limits but cannot risk any reductions in reserves.

Whilst the result is small in monetary value it is a positive result and marks a welcome turnaround in Council's financial performance when compared to those of previous years. It is vital that realistic budgets continue to be approved and that management maintain effective management of these budgets to ensure Council's reserves are protected as well as safeguarding the services to the Causeway Coast and Glens Borough rate payers.

We have transferred £424k to other usable reserves and whilst this is a reduction in the general fund balance these funds are being set aside for future events such as elections, repairs and maintenance, etc.

In addition the sum of £353k was released from the election reserve to finance the last Local Government Election. Council also previously agreed that staff severance costs arising in prior years would now be capitalised resulting in an addition to reserves of £1,559k which was used to mitigate the applied balance agreed at rate setting meeting for the 2019/20 financial year in February 2019.

The delivery of services resulted in a positive variance against budget of £710k. How this reconciles to the movement in the general fund is shown in the table below:

NIAO are expected to be in attendance at the committee meeting and will take members through their audit findings and opinion prior to approval of the accounts.

**It is recommended** that the Audit Committee recommends to Council the approval of the Draft 19/20 Annual Statement of Accounts as presented on condition that NIAO return an unqualified audit opinion of the Draft Accounts.

L Mitchell referred to paragraph 2.4 within the report, she advised for completeness, the Accounts had not been withdrawn, that Committee had thought they had been briefed on the Accounts.

The Finance Director (Interim) clarified the Accounts had gone to Council on 30 March 2021 and had been withdrawn; and was not on 10 March 2021.

Proposed by Councillor McQuillan  
Seconded by Councillor Wallace and

**AGREED** – to recommend that Council approve of the Draft 19/20 Annual Statement of Accounts as presented on condition that NIAO return an unqualified audit opinion of the Draft Accounts.

## **6. INTERNAL AUDIT (CAUSEWAY COAST AND GLENS BOROUGH COUNCIL)**

Presented by the Audit, Risk and Governance Officer.

### **6.1. Fleet Management**

Report, previously circulated, presented as read.

The Audit, Risk and Governance Officer advised overall assurance rating: Satisfactory.

Committee was referred to page 6 where issues were noted:

Issue 1 – Vacancy of Fleet Manager – recommend appointment of a Fleet Manager, required in Legislation and the post vacant since late 2020.

Issue 2 – Fleet Management Policy – recommend a document to be established along with responsibility.

Issue 3 – SORN of vehicles.

Issue 4 – Previous points for the attention of management – recommendation raised a number of years ago, as an operating licence full time administrative resource is a statutory requirement.

In response to questions, the Director of Environmental Services advised the timescale for the Policy to be brought forward would be 6 months. There was budget for the post of Fleet Manager and admin resource, a temporary arrangement would be put in place until the vacancy filled.

Proposed by Councillor Schenning  
Seconded by Councillor McMullan and

**AGREED** – to recommend that Council note the Internal Audit, Fleet Management report.

### **6.2 Annual Internal Audit Plan and Resourcing for 2021/22**

Report, previously circulated.

This document sets out the programme for the provision of Internal Audit services to Causeway Coast and Glens Borough Council for 2021/22 and is based on the audit needs assessment as detailed in the Internal Audit Strategy 2019-2023. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps organisations accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the risk management, control and governance processes.

The Internal Audit service for 2021/22 is provided as a shared service comprised of an in-house Audit officer and a team from an out-sourced provider (Moore NI).

### **Resource Requirements**

In the 2021/22, an additional resource was built into the estimates process increasing the budget for internal audit from £84k to £128k. It is proposed that these additional resources are used to procure additional days to undertake some of the backlog audits that remain outstanding from 2019/20 due to the additional resources in the land disposals & easements audit and a vacancy within the section.

### **Internal Audit Plan 2021/22**

The following table (circulated) sets out our proposed Audit Plan for the period 2021/22. A possible outline scope is included, but this may be amended to reflect key risks identified at audit planning stage. We will develop a timetable for each audit area to be covered following approval of this plan and discussion with senior management.

It is recognised the dynamic environment that the Council operates within and that risks are continually changing. It is therefore appropriate that the audit plan is not regarded as being fixed and inflexible. The priority and frequency of our audit work may change in order to recognise any changes to key risks areas identified within the Council. At the beginning of each audit assignment we will also consult with appropriate senior officers to ensure that current risk areas are included in the remit for our work and agree the scope of the audit work to be carried out.

The annual internal audit plan provides 60 days for contingency and special investigations this includes:

- Ad hoc Advisory work
- Liaison with Risk Management Process
- Provision for investigations

- Fraud Risk Management Meetings
- Policy Maintenance & Training
- NIAO Liaison/Completion of Requirements

The audit approach for each assignment will involve:

- Consideration of relevant information and key risks relating to the review area
- Documentation of the systems including reviewing existing arrangements in place and discussions with key staff
- Identification of key risk mitigation measures and evaluation of their adequacy through appropriate tests, discussions with key staff and observation

Following our audit fieldwork for each assignment we will discuss and agree our findings with relevant Council officers and issue a draft audit report for management to respond to our findings. A full audit report will be presented to the Audit Committee.

Our audit plan has been developed to provide coverage on the key risk areas identified in the Council and therefore does not include audit assignments in all areas within the Council. We have however built some contingency days into our audit resources (see Internal Audit Strategy 2019-2023) and should any additional areas require specific attention, we will adjust our plan accordingly.

One additional exercise that internal audit is proposing to undertake during 2021-22 is to review the NFI data matching exercise currently performed by the Finance function.

Regular progress reports setting out our overall conclusions in each audit area and performance against plan will be provided to each Audit Committee meeting and an Annual Report will be presented at the end of the year presenting our overall assurance of the control environment within the Council.

**It is recommended** that Council approves the Annual Internal Audit Plan & Resources 2021/22.

In response to questions, the Audit, Risk and Governance Officer clarified every firm has Policies and Procedures in place to rotate staff performing the Internal Audit. Clarification of the reason for additional days audit due to a backlog due to reactive work to be undertaken which eats into audit resources plus prior year backlog carried forward.

Proposed by Councillor McQuillan

Seconded by Councillor Holmes and

**AGREED** – to recommend that Council approves the Annual Internal Audit Plan & Resources 2021/22.

### **6.3 Internal Audit Assurance Report 2020/21**

Report, previously circulated, presented as read.

#### **Overall Assurance Statement**

On the basis of the work carried out, Internal Audit can provide a limited level of assurance that the Council's control environment is adequate and effective. There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved.

(Further details of our assurance ratings were provided in Appendix I circulated).

Internal Audit will continue to support management in reviewing the level of fraud risks associated with their key activities and ensuring that appropriate mitigations are put in place. However it should be noted that it is management responsibility to ensure that there are robust systems of internal control in place to help manage the risk of fraud.

**AGREED** – to recommend that Council note the Annual Internal Audit Assurance Report

#### **Questionnaires completed**

### **6.4 NIAO Fraud Assessment Questionnaire 2020/21**

### **6.5 Proper Arrangement Questionnaire 2020/21**

The Director of Corporate Services advised the above questionnaires would be placed on the Members' Portal.

## **7. INTERNAL AUDIT (MOORE NI LLP)**

Presented by C McHugh.

### **7.1 ICT**

Report, previously circulated.

Based on the audit testing the following overall level of assurance: Limited. There were eight Priority 2 recommendations and two Priority 3 recommendations.

C McHugh referred to the following areas:

Issue 1 – ICT Business Continuity and Disaster Recovery Planning

Issue 2 – VPN Availability and Usage

Issue 3 – Council Laptops

Issue 4 – ICT Security Policy and Procedures

Issue 5 – Guidance on ICT Security and GDPR Compliance for Remote Working

Issue 6 – Training for Staff on ICT Security

Issue 7 – Training for Staff on GDPR

Issue 8 – New Starts and Staff Leaving Council Employment

Issue 9 – ICT Security – External Testing

Issue 10 – Back-up of Council Information

C McHugh advised ICT crucial in ramping up and scaling access to ICT equipment and remote access. There were initial teething problems and these had been resolved. An ICT Security Strategy document in place and Disaster Recovery Plan had been finalised and testing in place. Committee was advised there are risks to the security of the asset, there is no Finance Asset Management Policy in place. Training is required in ICT Security and GDPR. It is recommended that staff who move or leave is notified and removed from accessing Council systems. C McHugh stated there was a good level of external security firewall testing and struggled to resolve in a timely manner. Staffing an issue, a vacancy specifically for a security post to be filled.

L Mitchell stated no surprise the assurance Limited given the culture of home working accelerated. She stated it was vital the ICT post filled.

Proposed by Councillor Peacock

Seconded by Councillor Schenning and

**AGREED** – to recommend that Council note the Internal Audit ICT report.

## 7.2 Performance Management

Report, previously circulated.

Based on the audit testing the following overall level of assurance: Satisfactory. There were five Priority 2 and three Priority 3 recommendations.

C McHugh referred to the following areas:

- Issue 1 – Policies and Procedures
- Issue 2 – Training
- Issue 3 – Citizen’s Survey
- Issue 4 – Review of Corporate Plan
- Issue 5 – Review of Business Plans
- Issue 6 – Accuracy and Consistency of Data
- Issue 7 – Business Plan Monitoring
- Issue 8 – Performance Improvement Monitoring

C McHugh stated Performance Improvement had made very good progress in the past 18 months, joined APSE and was benchmarking. Its own IT system had been developed, Business Planning and Performance Indicators monitored. Committee was advised it was important Business Plans were coming forward earlier and ensure monitoring. It was recommended the Performance Improvement process is documented along with whom has responsibility, a Training Needs Assessment of staff to understand what they need to do. The Citizens Survey could now be service specific. The Corporate Plan revived and renewed and commitment to renew on an annual basis.

Proposed by Councillor McMullan  
Seconded by Councillor MA McKillop and

**AGREED** - to recommend that Council note the Internal Audit Performance Improvement report.

In response to questions C McHugh advised she would like to see the individual performance appraisal rolled out further. The Director of Corporate Services clarified PCDR Training Tier 2-3 had commenced and the detail would be shared with Members. She stated a report would be brought to Corporate Policy & Resources Committee in September. C McHugh concurred a health and wellbeing audit linked to how Council performs could be carried out; whilst currently outside the scope.

### **7.3 PCSP**

Report, previously circulated.



Based on overall audit testing, the following overall level of assurance: Satisfactory. There were two Priority-3 recommendations.

C McHugh referred to the following areas:

Issue 1 – Publication of PCSP Documents & Council Website

Issue 2 – Declarations of Interest

C McHugh advised information on the Annual Report on the website was required to be kept up to date, the latest report 2017/18.

Declarations Of Interest were not up to date for Members of the PCSP.

Proposed by Councillor McKillop

Seconded by Councillor McMullan and

**AGREED** – to recommend that Council note the Internal Audit PCSP report.

#### **7.4 Treasury Management**

Report, previously circulated.

C McHugh referred to the Treasury Management Review (not Audit), and drew Committee's attention to the following pages within the report:

Page 2, in conclusion: 5 issues are being addressed, 3 issues are yet to be addressed.

- 1) Procedures to be documented
- 2) Current cash flow projection is basic, development of the debt management model includes a cashflow projection which will address this issue.
- 3) Member training does take place but needs to be extended to treasury management

Councillor Callan raised the report be added to the Finance Committee meeting to be held the following evening.

The Finance Director (Interim) advised priority of work was being carried out and weekly and daily cash flow forecasts would be made.

Proposed by Councillor Holmes

Seconded by Councillor Callan and

**AGREED** – to recommend that Council note the Internal Audit Treasury Management report.

## **7.5 Review of Prior Year Recommendations**

Report, previously circulated.

The report summarises the findings arising from a review of the progress made by CCAG in implementing the prior year internal audit recommendations made as a result of internal audits carried out in 2019/20. This report also includes a review of all internal audit recommendations made in 2016/17, 2017/18 and 2018/19 which were being addressed (or had not been addressed) at the time of the previous review of recommendations (in June 2020).

The agreed audit objective was therefore to confirm that the internal audit recommendations are being implemented.

Proposed by Councillor Callan

Seconded by Alderman S McKillop

- to recommend that SLT develop an Action Plan as a matter of urgency, to be brought back in 1-2 months' time.

L Mitchell stated it was required to be taken forward by management, Audit Committee had a role of overseeing.

The Director of Corporate Services advised a quarterly progress report could be taken back to the Audit Committee in September, detailing the responsible Officer.

Councillor Callan requested the Action Plan be brought to the Council Meeting.

## **8. DIRECT AWARD CONTRACTS**

Report, previously circulated, presented by The Chief Finance Officer.

Causeway Coast and Glens Borough Council approved an updated Procurement Policy in March 2021.

### **Detail**

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.

### **DAC Process**

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.

### **Authorisation required**

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.

### **DAC Approvals**

The purpose of this short report is to inform members of those DAC's which have been approved since 1 January 2021 and these were listed within the report, it should be noted that none of these required Council approval at the point of award.

\* **Chief Finance Officer left the meeting at 8.50PM.**

### **9. ABSENCE REPORT QUARTER 1- 4, 2020/2021**

Report, previously circulated, presented by the Director of Corporate Services.

### **Purpose of Report**

The purpose of this report is to provide Members with Quarter 1 - 4 (1 April 2020 to March 2021) information regarding Absenteeism throughout the Council.

## **Background**

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.

### **1.0 Performance Improvement Plan 2019/2020, continuing in 2020/2021**

#### **1.1 Progress to date – Quarter 1 - 4 (1 April 2020 to March 2021)**

##### **Objective 4, Performance Improvement Plan**

##### **Outputs**

- OD/HR continue to co-ordinate a programme of training for employees and line managers on the Council's newly revised Sickness Absence Policy which came into effect on 1<sup>st</sup> July 2020.
- To date 116 line managers and 254 employees have been trained on the new policy (total 370 employees).
- Face to Face training is required in the Operations Department and preparations are being made to provide this training now that restrictions have been relaxed.
- Work is ongoing with stakeholders to identify and agree further measures to support employees such as access to private Health Care, access to specific treatments, health insurance etc.
- In light of COVID-19 Occupational Health appointments are mostly by telephone, however face to face appointments can be arranged if required.
- Continuing on from the previous quarter, Councils' highest reason for sickness absence is the Sickness Category including conditions such as Stress, depression, mental health and fatigue syndrome. However, it is noted there is a reduction of 1,392.79 days from the 2019/20 figures (See Table 4 for further analysis).
- Employees who are absent due to a stress or a stress related absence are referred immediately to Occupational Health so that interventions can be put in place at an early stage. Employees are also reminded of the counselling services provided by Inspire.

- In Quarter 4, 25 employees availed of these services, 5 of which are new referrals.
- The Health & Well Being Group activities for employees continue to be cancelled as a result of COVID 19 restrictions, however plans are in place for activities in Quarter 1 2021/22.
- OD/HR continue to issue emails to staff covering a variety of topics in relation to general health and wellbeing including Mental Health.
- ODHR work closely with the PR department in providing wellbeing content for the weekly Staff News.
- Council are mindful of the unique and difficult time we are working in and have been providing practical advice and solutions for staff who continue to work from home. Further details provided in Section 6.

### 3.2 Outcomes

- A 2.5% reduction in the number of days lost to Council through long term sickness (9,382.64 in 2019/20, target 9,148.07 days in 2020/21, actual 6,128.20 days)
- A 2.5% reduction in the average number of days lost per employee through sickness absenteeism (17.66 days per employee in 2019/20, target 17.22 in 2020/21, actual 11.41 days per employee)
- We will maintain the average time for an Occupational Health Review from 4 weeks to 2 weeks

### 3.3 Quarter 4 Performance Against Targets

Table 1 Quarter 1 - 4 Performance Against Targets and in-Year Comparisons

	12 months ending 31/03/20	2.5% reduction target against same period last year	12 months ending 31/03/21	On Target/ Not On Target
Average number of days lost per employee through sickness absenteeism	17.66	17.22	<b>11.41 (35.41% reduction)</b>	On Target
Number of Days lost to Council through long term sickness	9,382.64	9,148.07	<b>6,128.20 (34.69% reduction)</b>	On Target
Average time for an Occupational Health Review (We will maintain the average time for an Occupational health Review from 4 weeks to 2)	4 weeks	2 weeks (from 4 weeks to 2 weeks)	<b>2 weeks</b>	On Target

Staff members engaging in Council's wellbeing activities				
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### Analysis of Quarter 4 Data

Table 2 – Analysis of Absenteeism Data

<b>April – December</b>	<b>2020/21</b>	<b>2019/20</b>
No. of employees absent	<b>174</b>	347
Long Term as % of total absence <i>(absence greater than 20 days)</i>	<b>89.49%</b>	85.57%
Short Term as % of total absence <i>(absence less than 20 days)</i>	<b>10.50%</b>	14.43%
Average days lost per employee <i>(combined short and long term)</i>	<b>11.41</b>	17.66

Table 3 – Top 5 reasons for Absence\*

<b>April – December</b>	<b>2020/21</b>	<b>2019/20</b>
Stress, depression, mental health and fatigue	<b>53%</b>	45.83%
Musculo-skeletal problems	<b>11%</b>	10.26%
Stomach, liver, kidney and digestion	<b>9%</b>	6.82%
Back and neck problems	<b>8%</b>	6.15%
Infections	<b>8%</b>	4.21%

\*Appendix 1 provides further details (circulated)

Table 4 – Analysis of Stress and Stress Related Absences

	<b>12 months ending 31/03/20</b>	<b>12 months ending 31/03/21</b>	<b>Difference</b>
Total days absent under the Sickness Category for	5,025.38	<b>3,632.59</b>	Reduction of 1,392.79 days

Stress, depression, mental health and fatigue			
Stress listed as sickness reason – Total Days absent	2,501.08	<b>1,647.16</b>	Reduction of 853.92 days
Work related Stress listed as sickness reason – Total days absent	1,306.73	<b>918.06</b>	Reduction of 388.67 days

### **Mental Health and Wellbeing Strategy and Action Plan**

The Council have been involved in the development of a Mental Health and Wellbeing Strategy and Action Plan. This Strategy has been developed to guide the work of the Local Government in the longer term, and to focus on the action plan for 2020 - 2023. The Vision for the Strategy is based on the acronym **ASK**:

#### **Accept**

One of the key messages to come out of the consultation was the need to accept that anyone at any level in Councils and the NIHE can have poor mental health, and to work towards a culture where mental health can be discussed openly. As organisations, we need to demonstrate a visible commitment to mental health in the workplace by providing an environment where individuals feel accepted and safe to speak openly about mental health including their personal experiences.

#### **Support**

The Group seeks to ensure that individuals in Councils and the NIHE feel supported in relation to their health and wellbeing and that, if they are experiencing poor mental health, they know how and where to access support.

#### **Knowledge**

Mental health is about wellness rather than illness and is not merely the absence of a mental health condition. Mental health exists on a continuum, or range: from positive, healthy functioning at one end through to severe symptoms of mental health conditions at the other. The Group seeks to support individuals at all levels in Councils and the NIHE to have access to the knowledge and tools to support anyone experiencing poor mental health and create healthy workplaces.

Activities are being considered for 2021/22 based on the Strategy and Action Plan.

### **Support provided to Staff during year – COVID arrangements**

- Flexible working arrangements available such as parental leave, special leave, annual leave, toil and flexi
- Encouraging staff to have breaks during the day and to take annual leave

- Importance of regular staff contact/communication using methods such as whatsapp, MS Teams, Phone calls, Staff Newsletter
- Initiatives from Inspire – Nutrition Workshops / Resilience Workshops
- Stress Control Classes through Health Trusts delivered by professionals offering suggestions/advice/support, and providing staff time to attend same
- Supervisors and Managers applying practical and sensible solutions, managing workloads and priorities, whilst delivering services, mindful of public and expectations
- Agile Working Policy is currently in draft and will be presented to Trade Unions in the coming months.

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

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

Alderman S McKillop requested a financial analysis of the impact of absenteeism.

The Director of Corporate Services advised a formulae could be applied and cost estimated.

Proposed by Councillor Wallace  
Seconded by Councillor McMullan and

**AGREED** – to recommend that Council notes the report presented.

- \* **HR Business Partner Organisation Development left the meeting at 8.54PM.**

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

There were no matters to report to the Partnership Panel.

## **11. CORRESPONDENCE**

There were no items of correspondence.

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

Proposed by Councillor Wallace  
Seconded by Councillor MA McKillop and

**AGREED** – to recommend that Council move '*In Committee*'.

- \* **Press were disconnected from the meeting at 8.54pm.**



***The information contained in the following item is restricted in accordance with Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014.***

## **12. CORPORATE RISK MATRIX**

Confidential report, previously circulated.

The Audit, Risk and Governance Officer presented the risk matrix, Committee's suggestions were taken on board and the Officer clarified 'Corporate Risk'. She advised Directors and Heads of Service had their own Risk Register's and these could be shared.

Proposed by Councillor Holmes  
Seconded by Councillor Callan and

**AGREED** – to recommend that Council accept the Corporate Risk Matrix.

## **13. LEGAL CASES ACTIVITY**

Confidential report, previously circulated.

The Director of Corporate Service requested whether Committee wished to continue to receive the Legal Cases Activity document.

L Mitchell advised it was unusual for an Audit Committee Agenda, she observed the information a long list and not useful, if continued, to be summarised to be more meaningful.

In response to questions, the Director of Corporate Services advised she would refer the Right of Way update to the Coast and Countryside Team for response.

## **14. WHISTLE BLOWING /FRAUD**

The Audit, Risk and Governance Officer advised of 3 incidents.

In response to questions regarding an ongoing Investigation, the Audit, Risk and Governance Officer advised the matter was being progressed in line with the direction of the Chief Executive and declined to comment further.

Proposed by Councillor P McShane  
Seconded by Councillor Peacock

- to recommend to Council that the Chief Executive has nothing further to do with this; and following the guidance of the Organisations already expressed their views on how to proceed.

Councillor Callan requested a Legal Opinion.  
The Chair moved to the vote.

Councillor P McShane requested a Recorded Vote.

Amendment

Proposed by Councillor McQuillan

Seconded by Councillor Callan

- to recommend that Council accept what has been said and move on.

The Chair put the Amendment to the Committee to vote.

8 Members voted For; 8 Members voted Against;

The Chair applied his casting vote Against.

The Chair declared the Amendment lost.

Amendment

For (8)	Alderman McKeown, Robinson, S McKillop; Councillors Callan, Holmes, McQuillan, Wallace, Watton
Against (8)	Councillors Beattie, Dallat O'Driscoll, MA McKillop, McMullan, P McShane, Nicholl, Peacock, Schenning
Casting Vote Against (1)	Chair, Councillor Nicholl

The Chair put the motion to the Committee to vote.

8 Members voted For; 8 Members voted Against;

The Chair applied his casting vote For.

The Chair declared the motion carried.

Motion

For (8)	Councillors Beattie, Dallat O'Driscoll, MA McKillop, McMullan, P McShane, Nicholl, Peacock, Schenning
Against (8)	Alderman McKeown, Robinson, S McKillop; Councillors Callan, Holmes, McQuillan, Wallace, Watton
Casting Vote For (1)	Chair, Councillor Nicholl

During the above vote, one Member cast their vote incorrectly, citing IT connectivity issues, the Chair allowed the vote to be rectified.

**MOTION TO PROCEED 'IN PUBLIC'**

Proposed by Councillor Schenning  
Seconded by Councillor McMullan and

**AGREED** – to recommend that Council move '*In Public*'

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

There were no matters of Any Other Relevant Business.

**16. DATE OF NEXT MEETING – THURSDAY 16 SEPTEMBER 2021 AT 7PM**

Information.

This being all the business the Chair thanked everyone for their attendance and the meeting concluded at 9.33PM.

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Chair