

<b>Title of Report:</b>	<b>Annual Governance Statement</b>
<b>Committee Report Submitted To:</b>	<b>Audit Committee</b>
<b>Date of Meeting:</b>	<b>12 June 2024</b>
<b>For Decision or For Information</b>	<b>For Information</b>

<b>Linkage to Council Strategy (2021-25)</b>	
Strategic Theme	Cohesive Leadership Improvement & Innovation
Outcome	Approval of Terms of Reference
Lead Officer	Audit Risk and Governance Manager

<b>Budgetary Considerations</b>	
Cost of Proposal	N/a In-house
Included in Current Year Estimates	<b>YES/NO</b>
Capital/Revenue	Revenue staff costs
Code	
Staffing Costs	n/a

<b>Screening Requirements</b>	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals. <b>N/A</b>		
Section 75 Screening	Screening Completed:	Yes/No	Date:
	EQIA Required and Completed:	Yes/No	Date:
Rural Needs Assessment (RNA)	Screening Completed	Yes/No	Date:
	RNA Required and Completed:	Yes/No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	Yes/No	Date:

## **1.1 Purpose of Report**

The purpose of this report is to present the draft Annual Governance Statement, For Information, attached at Appendix 1.

## **1.2 Background**

In line with legislation, local authorities have to prepare an Annual Governance Statement (AGS) and report publicly on the effectiveness of governance and control. The AGS should be reviewed and then approved by the Council prior to being signed by the Mayor and the Councils Chief Executive.

Typically, audit committees undertake the role of reviewing the AGS prior to approval and sign off. It is requested that Audit Committee notes the content of the draft Annual Governance Statement, narrative within the Annual Governance Statement may require updated to reflect the position as at the 30<sup>th</sup> September 2024.

## **1.3 Recommendation**

It is recommended that the Audit Committee notes the draft Annual Governance Statement for inclusion in the draft 2023/24 Financial Statements.

## **Annual Governance Statement**

### **Scope of Responsibility**

Causeway Coast and Glens Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiency and effectively.

Causeway Coast and Glens Borough Council also has a duty under Local Government (Best Value) Act (Northern Ireland) 2002 to plan for continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Causeway Coast and Glens Borough Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

Causeway Coast and Glens Borough Council has prepared an Annual Governance Statement which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. This statement explains how Causeway Coast and Glens Borough Council meets the requirements of Regulation 4 of the Local Government (Accounts and Audit) Regulations (Northern Ireland 2015) in relation to the publication of a statement on internal control.

### **The Purpose of the Governance Framework**

Council's governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables Causeway Coast and Glens Borough Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place for the year ended 31 March 2024 and up to the date of approval of the financial statements.

### **The Governance Framework**

The key elements of the systems and processes that comprise the Council's governance arrangements include the following:

#### **1. Identifying and communicating the Council's vision of its purpose and intended outcomes for citizens and service users.**

The Council adopted a Corporate Strategy for 2021 to 2025 in February 2021.

This Corporate Strategy was developed following a consultation process involving Councillors and senior managers within Council although the process was significantly delayed due to the pandemic. Council staff were asked for their comments on the new Strategy document via the Staff Newsletter.

Further effective public consultation, however, proved difficult due to the impact of the Covid-19 pandemic but a copy of the Corporate Strategy has been placed on the Council website with the Council welcoming any comments on it from the public. A hard copy of the Council Strategy will not be published at this time.

The Corporate Strategy sets out the Council's Vision for the Borough, its Mission Statement and priority Strategic Themes. The Council has identified five priority strategic themes as follows:

- Cohesive Leadership
- Local Economy
- Improvement and Innovation
- Healthy, Active and Engaged Communities
- Climate Change and Our Environment

Outcomes and indicators were developed under each priority theme and these provide a framework for decision and investments across the timeframe of the Corporate Strategy. However, the delay in the development of the new Corporate Strategy caused by the impact of the pandemic enabled Council to identify and factor into the Strategy the challenges and impacts on the Council and our Borough of the Covid-19 pandemic. As a result it was recognized that the Strategy should be seen as a "living" document and be reviewed on a regular basis (at least annually).

In line with the new term of Council, Elected Members became engaged on a review of the Council Strategy in the Autumn of 2023 with a Workshop taking place for Members on 13 September 2023. A follow-up Workshop was required to complete the process and a date for this was set for 30 November 2023. Unfortunately, this Workshop had to be cancelled and a new approach is currently being established to facilitate meaningful Councillor engagement in the review process and also in the development of the new Corporate Strategy due to commence in the autumn of 2024.

Causeway Coast and Glens Borough Council was tasked by the Local Government Act (NI) 2014 to lead, maintain and facilitate the community planning process in Causeway Coast and Glens. It worked with its Statutory Partners to develop the Causeway Coast and Glens Community Plan and the Community Plan was formally signed off by the Community Planning Strategic Partnership in April 2017 (formally launched in June 2017).

Ten Councillors were nominated to participate on behalf of Council on the Strategic Partnership and they have been closely involved in the work of the Community Planning Partnership.

The development of the Community Plan involved a detailed statistical analysis of the Causeway Coast and Glens area; an extensive community engagement/consultation exercise; the establishment of thematic working groups to develop population outcomes and indicators; with mutual agreement by the members of the Community Planning Strategic Partnership of the final version of the Plan.

The next stage in the process of community planning involved taking the outcomes identified within the Plan and developing a Delivery Plan, which identified actions necessary to achieve the Population Outcomes in the Plan. This work commenced in June 2017 and was finalised in June 2018 with the launch of the Delivery Plan for the Community Plan.

This Delivery Plan identified 44 practical collaborative actions to take forward the high-level outcomes identified in the Community Plan itself. The Delivery Plan was based on the work of a number of Delivery Design Groups which included representatives from the statutory partners along with a range of support partners from other appropriate organisations.

A review of the Delivery Plan was undertaken in 2020 and, although this was challenging due to the pandemic, a full review was completed and a revised Delivery Plan with 34 actions was adopted by the Community Planning Partnership in December 2020.

The community planning process also involved the implementation of a monitoring and reporting process overseen by the Strategic Partnership and this commenced in June 2018. Each Action Lead identified in the Delivery Plan is required to complete a report card outlining progress on their action. This reporting process takes place on a quarterly basis with summarised reports on progress submitted and considered by the Strategic Community Planning Partnership at their quarterly meetings.

The legislation also requires the publication of a Statement of Progress every two years from the publication of the Community Plan. Causeway Coast and Glens first Statement of Progress was published in November 2019 and, on the whole, was able to demonstrate positive changes within the Borough. The second Statement of Progress was published in November 2021 with the third Statement of Progress published in November 2023.

The Strategic Partnership has now completed a review of the Community Plan Strategic Framework as well as a review of the Delivery Plan. This review included an assessment of the challenges of Covid-19 and the current cost of living impacts as well as other issues of concern such as climate change.

The review of the Delivery Plan resulted in 31 actions being identified and the quarterly monitoring and reporting process agreed and implemented by the Community Planning Partnership continues to assess progress against these actions.

Causeway Coast and Glens Borough Council has commenced work on a new Local Development Plan (LDP) for the Borough. The LDP is the spatial reflection of the Community Plan and provides an opportunity to develop a new planning framework specific to Causeway Coast and Glens Borough Council area, balancing the development needs of the Borough with the protection of our built and natural assets. Following publication of the LDP: Preferred Options Paper (POP) in June 2018 for comment, during 2019/20 the Planning Department analysed the representations received and commenced the drafting of strategic planning policies to be published in the LDP: Draft Plan Strategy.

Towards the end of the 2019/20 and throughout 2020/21 reporting period Government/Public Health Agency (PHA) advice in relation to the Covid-19 outbreak resulted in the postponement of planned LDP Consultee and Stakeholder Meetings and Member Workshops. However, this work has resumed during the end of Q2 of 2021/22 reporting period. As a result of the delays an updated timetable has been agreed with the Planning Appeals Commission and the DfI. In addition, due to the implications of the Covid restrictions, the Statement of Community Involvement has been updated and agreed with DfI to reflect changes to availability of documents. Public Consultation on the Draft Plan Strategy will be undertaken in line with the Council's published LDP Timetable and any future Government/PHA advice. During 2021/22 work continued on research and analysis of evidence. Topic-based papers have been circulated to internal and external stakeholders for comment. Draft policies for the LDP Draft Plan Strategy have been presented to Members at workshops for input and discussion and only one workshop remains to be held. The Planning Steering Group met in January 2022 and agreed the first set of draft policies. Sustainability Appraisal days took place in March 2022 in relation to this first batch of policies. To date the LDP Draft Plan Strategy continues to progress.

A total of 18 workshops were undertaken with Elected Members and two Planning Steering Group Meetings held during 2020-2022 to review the existing Planning Policies and draft the Plan Strategy. Sustainability Appraisal days took place in June 2022 on the second batch of Policies for the draft Plan Strategy. The second batch of Policies in the draft Plan Strategy was agreed through the LDP Steering Group on 26 May 2022 and presented to Planning Committee on 22 June 2022. The final draft Plan Strategy was presented to Senior Management Team on 15 August 2022 and to Full Council for ratification on 01 November 2022. It was agreed that further workshops be held with the Party Groups to go through the detail of the draft Plan Strategy. These workshops took place in November and December and work is ongoing to review the draft Plan Strategy considering the issues raised.

Further work was undertaken subsequent to these workshops on gathering further evidence and updating topic-based evidence papers. As a result of local government elections in May 2023 and the election of a large number of newly elected members, further party group workshops were undertaken in August and September 2023. This resulted in the need for further evidence gathering and consequential updates to evidence papers.

An all-Member workshop was held with Members in December 2023 to attempt to progress the draft Plan Strategy, however, it was agreed that an LDP Working Group be established to work to resolve areas of contention within the draft Plan Strategy and background evidence. The LDP workshop was held on 19 March 2024 at which time it was recommended by Members to prepare a paper for agreement to procure independent research to inform the LDP preparation.

A revised LDP Timetable was agreed at the Planning Committee meeting held on 27 March 2024 with a revised indicative timeframe for the publication of the draft Plan Strategy of Autumn /Winter 2026.

## **2. Reviewing the Council's vision and its implications for the Council's governance arrangements.**

The vision of the Causeway Coast and Glens Borough Council over the 2021-2025 timeframe is:

**“We will maximize the benefits of our unique location and landscape by providing accessible, efficient and sustainable services fulfilling local and visitor expectations.”**

The mission of the Council for 2021-2025 is to:

“Improve the quality of life and well-being for all of our citizens and visitors by:

- Providing effective, accessible and sustainable local public services.
- Improving economic prosperity.
- Ensuring local communities at the heart of decision making.
- Protecting, promoting and enhancing our unique natural environment and assets
- Advocating for the area and our citizens in both local and international arenas.

The Causeway Coast and Glens Borough Council will deliver its services and meet its responsibilities to ratepayers and communities across the Council area by adhering to the following values: Fairness, Excellence, Sustainability, Empowerment and Improvement.

The strategic themes identified in the Council's Corporate Strategy for 2021-25 were designed to ensure the vision is realised, with each objective having a series of sub-objectives.

The strategic priority themes are as follows:

- Cohesive Leadership
- Local Economy
- Improvement and Innovation
- Healthy, Active and Engaged Communities
- Climate Change and Our Environment

All reports presented to Council identify the Strategic Theme, ensuring alignment with Council objectives. A template has been developed for Committee and Council reports

which clearly identifies the linkage to the Council Strategy with officers required to identify the Strategic Theme and Outcome the subject of the report will contribute to. The corporate risk register identifies the factors which could prevent achievement of these objectives and each risk is assigned to a member of the Senior Management Team (SMT). The Corporate Risk Register is updated by SMT and presented to Audit Committee on a quarterly basis.

### **3. Measuring the quality of services for users through the Citizen Satisfaction Survey, for ensuring they are delivered in accordance with the Council's objectives and for ensuring that they represent the best use of resources.**

Council is committed to providing quality services aligned to its strategic objectives and has commenced developing business plans for all key services.

The business plan template requires officers to identify relevant actions under each Strategic Theme and related Outcome. These actions are supported by key performance indicators, timescales, lead officers, identification of internal and external partners and how the action links to the Council's Performance Plan.

Council continues to monitor, review and take corrective action as necessary in striving to achieve maximum satisfaction with council services, within the allocated resources. During the year Council considered all available information in deciding how best to deliver the services within the area.

Council adopted the Model Complaints Handling Procedure for the 11 NI Councils, developed in conjunction with NIPSO in November 2023, following publication of the MCHP by NIPSO July 2023. Councils implemented the new Complaints Handling Procedure in January 2024.

The first Causeway Coast and Glens Citizens Survey was conducted in 2022. The results and outcomes from the 2,268 responses were shared with Members and Council Services, and then published on Council's website. This enabled Council to monitor its performance and the level of satisfaction across the Borough with service delivery.

This process is being repeated for Citizens Survey 2 which was developed during early 2024 and is currently live. The results and outcomes of Citizens Survey 2 will provide direct comparisons with the 2022 survey, hence ensuring the ability to track changes in levels of satisfaction with performance across the Borough.

Council also continues to measure the quality of services for users through its annual Performance Improvement Plan in June and its Annual Self-Assessment of Performance Report in September. Both milestones were met in 2023/24. Both reports provided for engagement opportunities with the public, and highlighted and reported on the following:

- Annual Performance Improvement Objectives
- Statutory Indicators
- Council's Self-Imposed Indicators



#### **4. Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication.**

The roles and responsibilities of the Members of Council are defined by the Northern Ireland Code of Local Government Conduct, which is now mandatory, effective from 28th May 2014.

Council was awarded Charter Status for Elected Member Development in January 2023. Training continues to be delivered to all Members, as soon as they come into office. As part of Council's induction programme, mandatory training is provided on Council's Standing Orders and Chairing Meetings, Code of Conduct, Fraud Awareness, Planning Committee training, Audit Committee training, Treasury Management, CIPFA Code of Practice Training and Scrutiny and Challenge.

Roles and responsibilities of Senior Officers are defined by job description, job specification, and terms and conditions of employment. Formal staff appraisals are currently in place for SMT and this process is currently being developed in line with the actions identified within the Transformation Plan.

All internal policies and procedures are available on Council's staff portal for information and are also included as part of the induction process for all new employees.

All Directors report to Council monthly, on areas of responsibility, and ensure Council are kept informed of progress within each service area.

In terms of decision making, all decisions taken by Committee are ratified by full council, except for Planning Committee which has full council powers. There are 6 committees of Council and the meeting schedule is as follows:

- Tuesday Week 1 – Council Meeting
- Tuesday Week 2 – Environmental Services Committee
- Thursday Week 2 – Finance Committee
- Tuesday Week 3 – Leisure and Development Committee
- Tuesday Week 4 – Corporate Policy and Resources Committee
- Wednesday Week 4 – Planning Meeting
- Quarterly – Audit Committee

Council has a Land and Property Sub-Committee which meets on the first Wednesday of each month. The Sub-Committee reports to the Corporate Policy and Resources Committee.

Terms of Reference for all Committees are reviewed annually.

Scrutiny is provided by the Audit Committee, Internal Audit (co-sourcing arrangement) and the Local Government Auditor, and an Independent Member on Audit Committee. There are also a number of Sub-Committees and working groups which have either Terms of Reference agreed by Council, or are tasked with a particular project. Council currently communicates with wider stakeholders through various engagement processes, meetings, Council Website, Social Media and through press and media releases. Internal communication systems include Councils intranet, Staff newsletter,

email, written correspondence, working group minutes and a mixture of formal and informal team meetings.

Council developed a Citizens Newsletter in 2017/18 and this continued to be produced and circulated to all households in the Borough annually.

## **5. Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff.**

### **Codes of Conduct of Members**

The Northern Ireland Local Government Code of Conduct for Councillors came into force on 28th May 2014. All members are trained annually on the code, with training provided to new and co-opted members as soon as possible.

A Register of Interests is maintained and updated on an annual basis, or as and when required. In terms of travel and subsistence claims, Councillors are required to complete a claim form (submitted with receipts as appropriate) and sign a declaration regarding their claim.

Council adopted a Gifts and Hospitality Policy for Elected Members and Employees in March 2022 which has been circulated to all Members and Employees and annual reminders will be issued. A register of gifts and hospitality for Members is maintained by the Democratic Services Department and this is updated when relevant information is provided by a member of staff and elected members.

### **Codes of Conduct for Officers**

Council has adopted the revised "Code of Conduct for Local Government Officers", issued by the Local Government Staff Commission as a statutory recommendation for adoption by all councils and promulgated under the authority of the Local Government Staff Commission under Section 40(4) (f) of the Local Government Act (NI) 1972.

The Code of Conduct is signed by employees on appointment and is covered as part of the Induction process for new employees.

During the 2021/22 year 258 employees received training in the revised Code. In 2022/23 face to face training for all front-line staff in operational areas was delivered. When new employees commence employment with the Council the Code of Conduct is provided with their Main Statement of Terms and Conditions. Employees are asked to confirm, in writing, that they have received and read a copy of the Code. Job Descriptions within Council also require employees as part of their duties and responsibilities to adhere to the Code of Conduct for Local Government Officers.

Officers are given a copy of the Code on taking up appointment and failure to adhere to the Code may be disciplinary offence. Officers are also issued with terms and conditions of employment on commencing employment with the Council and would be advised of various policies and procedures on induction. Existing members of staff have access to these documents on the Staff Portal. New policies and procedures are brought to the attention of staff through Staff News and training and are also available via the Staff Portal.

The induction process for all new staff includes a copy of specific policies on staff conduct, including travelling and subsistence expenses, disciplinary and grievance policies and procedures, absence and sickness reporting, Data Protection, Freedom of Information, Equality and Good Relations, Safeguarding and Health and Safety at Work.

Other supplementary codes of practice relating to the conduct expected of employees are available to staff via the Staff Portal.

Council adopted a Gifts and Hospitality Policy for Elected Members and Employees in March 2022 which has been circulated to all Members and Employees and annual reminders. A register of gifts and hospitality is maintained by the Democratic Services Department and this is updated when relevant information is provided by a member of staff and elected members.

### **Conflicts of Interest Policy**

A Conflicts of Interest Policy was implemented in November 2022, with training commencing in March 2023, and continuing through to 2023/24.

### **6. Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required managing risks.**

Causeway Coast and Glens Borough Council operates a system of standing orders for the regulation of the proceedings of the Council and Council business. Standing Orders were revised once during 2023/2024 which resulted in one amendment being made to The Protocol for The Operation of The Planning Committee (Annex D). Council also adopted the revised scheme of allowances for members during the year.

The Standing Orders are included within the Council's Constitution. A Council is required, under section 2 of the Local Government Act (Northern Ireland) 2014, to prepare and keep up to date a Constitution. Causeway Coast and Glens Borough Council adopted a new Constitution on 22nd September 2015. This Constitution governs how the Council operates, how decisions are made, and the procedures which are to be followed to ensure efficiency, transparency and accountability to local people. Some of these processes are required by the law, while others are a matter for the Council to choose. This is updated as and when required such as the revision of Standing Orders and the Scheme of Allowances.

The Constitution is divided into sixteen Articles which set out the basic rules governing the Council's business. More detailed procedures and codes of practice are provided in separate Rules and Protocols within the document. The Council Constitution is regularly updated with the most recent review and update taking place in February 2024 (approved by the Corporate Policy and Resources Committee in February 2024).

The Scheme of Delegation for Development Management, Development Plan, Enforcement and Other Planning Functions and the Protocol for the Operation of the Planning Committee took effect from 1st April 2015 on the transfer of Planning functions to local government.

The Scheme of Delegation and the Protocol were reviewed during 2021/22. The Scheme of Delegation for the Planning Department was reviewed by the Planning Committee and agreed by Dfl and implemented on 05 July 2021. The Protocol for the Operation of the Planning Committee was reviewed by the Planning Committee and agreed on 23 February 2022 and implemented on 02 March 2022. The Scheme of Delegation and Protocol will be reviewed again during 2023/24.

A financial policy manual was approved by Council in June 2020. Detailed policies and procedures in relation to Purchasing and Procurement including expenditure limits and authorisation signatures are in place, reviewed periodically and updated as required. A detailed set of Financial Regulations was drafted and approved by Council in June 2023 which sets out governance on all aspects of Council finances. A revised Procurement Policy was approved by Council in November 2023, the main outcome being the increase in the expenditure limit requiring Council approval from £10,000 to £15,000. The new policy also updated references to relevant legislation following the United Kingdom's withdrawal from the European Union as well as implementing new provisions regarding social inclusion.

Council has a Risk Management Strategy, which requires the identification of Corporate and Departmental Risks, the assessment of impact and likelihood of those risks and the mitigating controls in place. Council has Corporate and Departmental risk registers in place, and these are reviewed regularly. The Corporate Risk Register is reviewed by SMT and presented to the Audit Committee quarterly. The current Information Risk Management Policy was agreed by Audit Committee in September 2018.

An initial Treasury Management Strategy Statement was approved by Council in December 2014. The policy was developed in the context of the Local Government Finance Act (NI) 2011 and the local Government (Capital Finance and Accounting) Regulations (NI) 2011 and includes the key principles of CIPFA's Treasury Management in the Public Sector Code of Practice and taking guidance from Council's Treasury Management Advisers. A revised Treasury Management Strategy is approved by Council annually, the statement for 2023/2024 being presented at Finance Committee in March 2023. The Annual Treasury Management Strategy statement sets out the expected treasury management operations for the year. A review of the Treasury Management strategy is presented twice annually for 2022/23 this reported was tabled in October 2022 and April 2023.

#### **7. Undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees - Practical Guidance for Local Authorities.**

Causeway Coast and Glens Borough Council operate a committee system, with the Audit Committee meeting once per quarter.

Representation on the Audit Committee is based on the Quota Greatest Remainder allocation, with 16 elected members, representative of each political party grouping in Council, and 1 Independent Member. All meetings are attended by the Director of Corporate Services, Internal Auditor (In-house) relevant Council officers, along with the contracted Internal Auditor (Co-sourcing Partner currently Cavanagh Kelly). The Audit Committee Terms of Reference have been documented and approved by Council. These were reviewed and agreed in September 2023, to ensure compliance

with CIPFA best practice. The Terms of Reference set out the scope of the Committee in relation to Audit Activity, Regulatory Framework and Accounts.

The Audit Committee met on four occasions between April 2023 and March 2024, this included Internal Auditors and the NIAO representation (An open invitation is extended to the Northern Ireland Audit Office to attend all meetings). Following each meeting, minutes are circulated and approved by Council.

The internal audit function for Causeway Coast and Glens Borough Council is provided by both in-house Internal Auditor and by Cavanagh Kelly through an Internal Audit co-sourcing arrangement.

Various aspects of operating activities were sampled and examined to ensure the appropriate legislation, policies and procedures were adhered to and expenditure was lawful. Internal audit reports include award of assurance levels and recommendations for improvement. These audit reports are presented to the Audit Committee throughout the year. The Internal Audit Service operates to the Public Sector Internal Audit Standards 2013.

## **8. Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.**

The Legal Services Department in Causeway Coast and Glens currently consists of three Solicitors. Derry City and Strabane District Council Legal Services Department is retained under a Co-operation Agreement to assist with prosecutions and advice. Further specialist external legal advice is engaged for Defence Litigation, Planning, Procurement, Human Resources, Call-ins, as required, through Insurance appointed advisers or by reference to three procured external firms of solicitors.

A Council Solicitor attends all full Council meetings. The Council Solicitor (Land and Property) is currently engaged in working through the Council's legal title to its property, in registering the Council's unregistered land as well as reviewing all land and property matters and advising the Land and Property Sub-Committee. Council Solicitor (Corporate Planning and Regulatory) attends all Planning Committee meetings and reviews all Planning reports.

A new Legal Services Instruction Form has been developed to ensure consistency of legal instructions.

Internal policies and procedures are regularly updated and renewed as required to reflect legislative changes. These are amended in line with recommendations from Internal and External Auditors and are circulated to the relevant staff when reviewed. Internal Policies and Procedures are available on the Staff Intranet.

In terms of lawful expenditure, workshops and special council meetings are held to discuss the proposals for the Estimates for the forthcoming year. This covers both Capital and Revenue Expenditure. Internal audit and Local Government Annual reports (including statutory audit) are also examined and discussed at these meetings, as well as the meetings of the Audit Committee. Council is issued with a summary report which forms the basis for discussion and decision making at the meetings. Annual Service specific Business Plans that include detailed proposed

expenditure are agreed by respective Council Committees for full Council ratification. Review of these Business Plans is provided by the Finance and Legal Services.

A standard report template is used for all Committee reports, which includes a section to report on full cost implications and if the input of Legal Services or provision of a legal opinion is required. Reports to Council Committees in 2024/25 where legal advice is required will be reviewed by the Council Legal Services, with specialist external advice sought as required, for example, in relation to major capital projects.

The Internal Audit plan covers a range of Council's main activities, financial and otherwise. Various aspects of operating activities have been sampled and examined to ensure that appropriate legislation, policies and procedures are adhered to, and expenditure is lawful. Internal audit reports including award of assurance levels and recommendations for improvement are reported to both Council and the Audit Committee. Council appointed Cavanagh Kelly as part of a co-sourcing internal audit arrangement. In terms of service specific compliance, service departments are kept up to date in the following ways:

- In-house Legal Services review of Committee / Council Reports
- Subscription to online expertise eg HR – Legal-Island Email Service and Croners On-line Employment Law Information Service and Advice Line
- External Legal Advice when required – Council subscribe to DAS – Employment Advice as part of the annual Insurance programme
- Officer Meetings – Service specific
- Attendance at various policy fora
- Training and Development for Staff

The Chief Executive is also the Council's Chief Financial Officer, as required by Section 1, of the Local Government Finance Act (Northern Ireland) 2011. The Chief Financial Officer is charged with ensuring the lawfulness and financial prudence of decision making, providing advice, and guidance and ensuring that expenditure is incurred lawfully. The financial management arrangements conform with the governance requirements of CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) as set out in the Application Note to Delivering Good Governance in Local Government Framework. The Chief Financial Officer is also supported by suitably qualified and experienced staff (including qualified accountants) within the finance function to ensure that decisions made by the Council are based on sound technical knowledge and understanding.

## **9. Whistle-blowing and other processes for receiving and investigating complaints from the public.**

Council has a Raising Concerns Policy and an Anti-fraud Bribery and Corruption Policy. The Raising Concerns policy was reviewed and updated in line with Raising Concerns good practice guide for the Northern Ireland public sector issued by the Northern Ireland Audit Office and was ratified at full Council on 7<sup>th</sup> February 2023. The Anti-Fraud Bribery and Corruption Policy was approved by Council in July 2015 and

was reviewed by Audit Committee in December 2023, and approved by Council in January 2024.

All staff are informed of the policies and copies are included in the Staff Induction Pack and available on the Staff Intranet. Raising Concerns / Whistle-blowing is a standing item at the quarterly Audit Committee meetings.

Council also operates a formal scheme for public complaints and suggestions. These are referred to the relevant department and responded to within set deadlines, with the opportunity to have complaints referred to a higher level in the organisation where the complainant is not satisfied with the response. Where a complainant remains dissatisfied, he/she is advised to contact the Northern Ireland Ombudsman.

There were four notifications of concerns received and followed up by Internal Audit during the year all of which have been reported to the Audit Committee.

#### **10. Identifying the development needs of Members and senior officers in relation to their strategic roles, supported by appropriate training.**

Council trebled its training and development budget for Elected Members for 2024/2025. Council has a limited training and development budget for Staff. In terms of the Elected Members' budget, this is monitored through the Elected Member Development Working Group (Members) which reports to CPR and ultimately Council. For staff, the budget is monitored and reviewed by ODHR team.

All relevant conferences and courses are circulated to Councillors at Council meetings. An Elected Members' Conference Attendance Policy was agreed by Council on 23rd February 2016.

Council agreed an action plan for Elected Member Development in February 2020, and was awarded Charter status for Elected Member Development in January 2023, a mid-way assessment is due in July 2024. A training needs analysis has been undertaken and arising from this, a 3-year Programme of Training and Development has been adopted. The programme of training will continue to be reviewed and further training arranged in the event of an emerging need.

A range of Learning and Development Priorities have been identified and learning is delivered and budgets allocated in accordance with these priorities. They are, Role Related training, Mandatory Training, Leadership & Management Development, Team Development & Core Skills, Assistance to Study (Further Education) and Other.

Council has recently procured a Leadership and Development programme for SMT with a view to cascading this to other Senior Managers within the Council. Council is currently developing a new appraisal process which will include identification of learning and development priorities. A new online Learning Management System is also being implemented in 2024/25 for all Staff.

#### **11. Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.**

Council consults with various bodies in relation to important strategic or policy development matters. Provisions are in place for communication in various formats and languages if requested.

Council has communicated with citizens and stakeholders by utilising the following methods:-

The first Causeway Coast and Glens Citizens Survey was conducted in 2022. The results and outcomes from the 2,268 responses were shared with Members and Council Services, and then published on Council's website. This enabled Council to monitor its performance and the level of satisfaction across the Borough with service delivery.

This process is being repeated for Citizens Survey 2 which was developed during early 2024 and is currently live. The results and outcomes of Citizens Survey 2 will provide direct comparisons with the 2022 survey, hence ensuring the ability to track changes in levels of satisfaction with performance across the Borough.

Council also conducts an annual consultation with the public and stakeholders to prioritise and identify Improvement Objectives for the annual Performance Improvement Plan. This ran from March-June 2023, and is open again for the development of the 2024/25 Performance Improvement Plan.

The Community Planning team facilitated public consultation using drop-in sessions at local libraries throughout the Borough to promote the third Statement of Progress.

Community Information events and Public Meetings, Statutory Partner Engagement, Citizen Surveys, Council Strategy, Website and Social Media, Council and Committee Meetings, Improved access to agenda, reports and minutes via website, Press Releases and Public Advertisements, Leaflets and Publications – including e-zine, and the annual publication of the Citizens' Newsletter have been utilized.

Council and committee meetings are open to the press and members of the public, and minutes are published on the Council's website along with Agenda and Audio Recordings of Public sessions of meetings.

Council also received and responded to 720 Requests for Access to Information during 2023/24. (647 in 2022/23)

The Planning Department has undertaken engagement sessions with stakeholders to the planning process meeting with agents submitting planning applications on a regular basis to discuss emerging issues and to collaborate to improve to planning process. Engagement in ongoing with agents affiliated with the Royal Society of Ulster Architects (RSUA) and Royal Town Planning Institute (RTPI) to improve the Pre Application Discussions process and introduce a new validation checklist. Engagement with statutory consultees has also been undertaken over this period with the Head of Planning sitting on the Planning Statutory Consultee Forum where issues relating to delays in the planning process relating to consultations are discussed. The planning Department, through positive working relationships with DfI roads has implemented Standing Advice to reduce the number of statutory consultations required on certain types of planning applications. Engagement with NI Water and DfC Historic Environment Division are ongoing to implement similar Standing Advice.



The Head of Planning has also engaged with the Rathlin Island inhabitants through their community group visiting the Island and visited the Island on 17 October 2023 to discuss key planning issues.

### **Review of Effectiveness**

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its system of internal control. The review of effectiveness is informed by the work of the Senior Managers within Council who have responsibility for the development and maintenance of the governance environment, the Internal Audit's Annual Report, and also by comments made by the external auditors.

The Audit Committee includes elected member representatives of the political membership of Council and an Independent Member. Under the terms of reference for the Audit Committee, they are charged with responsibility for ensuring good stewardship of the Council's resources, and committed to making the Council, its working groups and departments more responsive to the audit function.

The Internal Auditor provides an independent opinion on the adequacy and effectiveness of the internal control system. The Internal Auditor forwards draft reports to the relevant Director/Head of Service, for Management comments, and responses. The reports are coordinated by the Internal Auditor and then issued in their final format, presented to the Audit Committee initially and then to Council.

The Chief Executive has responsibility for preparing the Annual Governance Statement. In preparing this statement, he has considered the governance framework and system of internal controls in place. The Chief Executive leads the Council's SMT to collectively have involvement in and oversight of the processes involved in maintaining and reviewing the effectiveness of the governance framework. In producing this statement, full regard has been made to the register of interest for both Councillors and employees, reports of the internal and external auditor and the Corporate Risk Register.

The following process has been applied in maintaining and reviewing the effectiveness of the governance framework:

- **The Authority** – in line with the Local Government Act (NI) 2014 a traditional committee structure was in place within Causeway Coast and Glens Borough Council during 2023/24. A Finance Committee was added to the structure during 2019/20 to enhance the oversight and scrutiny of Council finances.
- **The Executive** – Service and Corporate Risk Registers, Operational Policies and Procedures, Regular Management Meetings and Communication, Internal and External Audit reports, Administrative procedures (including segregation of duties) and Management Supervision.
- **The Audit Committee** – The audit committee is a standing committee of Council, meeting quarterly, with 16 elected members and 1 independent member. All meetings attended by the Director of Corporate Services, relevant officers, Internal Audit and External Audit.
- **Internal Audit** – The review of the effectiveness for the Council is also informed by the Annual Internal Audit Opinion for the year.

In line with PSIAS, Internal Audit are required to provide an opinion as to the adequacy and effectiveness of the governance, risk management and control environment.

Specifically, this opinion has been arrived at after considering the following:

- The outcome of audits completed in the 2023/24 audit plan and in particular the limited assurance resulting from Internal Audit review of Procurement, Concessionary Trading and Management of Commercial Waste at Household Recycling Centres.
- Progress made in relation to addressing outstanding audit recommendations from previous years. In this regard, whilst we note an improvement in the number of recommendations addressed and the tracking and monitoring of outstanding recommendations by the audit committee during the year, concerns remain around the time it takes management to progress recommendations especially in critical areas such as Business Continuity Planning, Asset Management Policy, Essential Car User Policy and Risk Management. Until recommendations in these areas are addressed, the risks highlighted in the relevant audit reviews remain.
- The postponement of planned Internal Audit scheduled in the areas of Freedom of Information, ICT and Governance Code at the request of management. We understand the reasons for postponements (e.g staff are focused on recommendations relating to the reviews undertaken as part of the Extraordinary Audit which are still being addressed and there have been staffing issues in another area). However, this means that the planned IA programme agreed with the Audit Committee for the year is incomplete.
- The content and findings contained in external reports reviewing Leadership, Governance, Culture and Relationships, Financial Governance, Land and Property and Record Keeping undertaken as part of the recommendations arising from an Extraordinary Audit of the Council by NIAO. We note that management report progress is being made and consider that most of the recommendations are being addressed and likely to be completed. However, until the recommendations from these reviews are fully implemented, the risks identified in these reviews remain.
- Suspected frauds within the Council identified during the year and currently the subject of police investigations.

For the reasons outlined above, Internal Audit can provide a limited level of assurance as to adequacy and effectiveness of the governance, risk management and control environment. Overall, 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.

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's responsibility to ensure that there are robust systems of internal control in place to help manage the risk of fraud.

Looking ahead, the matters highlighted above, together with ongoing financial pressures including the impact of cost of living increases continue to present risks that could affect the Council's ability to deliver in its objectives. In our view, it is important that senior management place importance on the development and maintenance of adequate and effective audit, risk and governance arrangements within Council. It is also important that audit recommendations to address control weaknesses and recommendations highlighted in the independent reviews are implemented in a timely fashion and Internal Audit receives adequate cooperation to ensure delivery of the annual audit plan throughout 2023/24.

- **Other explicit review/assurance mechanisms -**

Health and Safety: Reviews of Health and Safety by professional qualified officers, the Corporate Health and Safety Committee, and various Health and Safety sub committees.

External funding: throughout the year is subject to independent audits from relevant funders i.e. Europe, Government Departments, SEUPB etc.

Local Government Auditor: work carried out by the Local Government Auditor during 2023/24 is also used by the Council as an additional assurance mechanism.

The Clerk and Chief Executive has been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the systems is in place.

### **The Role of the Chief Financial Officer**

The Chief Financial Officer is also the Clerk and Chief Executive and as such is the key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the Council's strategic objectives sustainably and in the public interest.

The Chief Financial Officer is actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and aligned with the authority's financial strategy.

He leads the promotion and delivery of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

Specifically he leads and directs the finance function, and is supported, in so doing, by professionally qualified and suitably experienced staff embedded within the Finance Department. The Chief Finance Officer heads the Finance Service and sits on the SMT.

The Council is satisfied that appropriate financial management arrangements are in place in order to conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) as set out in the Application Note to “Delivering Good Governance in Local Government: A Framework”.

### **Significant Governance Issues in 2022/23**

Five governance issues were noted in 2022/2023 annual governance statement. Three of the significant governance issues reported upon in 2022/23 have carried forward into the 2023/24 financial year. These include Finance (Finance and Financial Resilience), ICT (Digital and Cyber listed below) and Compliance/Regulation. Sufficient progress has been achieved in the areas of Industrial Relations and Recruitment and Retention of staff that these are no longer considered to be significant governance issues. Updates in relation to the three governance issues are listed below.

### **Significant Governance Issues in 2023/24**

The significant governance issues for 2023/24 have been identified through a review of the Corporate Risk Register, consideration of the Directors and Heads of Service annual assurance declarations and internal audits understanding of the wider control environment of Council. Three governance issues identified in 2022/23 have carried forward into 2023/24. More detail has been provided below in relation to each significant governance issues challenging the Council:

#### **1. Compliance/Regulation Procurement**

In previous years, the Local Government Auditor has raised issues in relation to procurement. The Local Government Auditor noted that procurement procedures had not been followed, including the completion of direct award contract documentation. Procurement continues to be identified in the NIAO Audit Strategy 2023/24 as a significant risk. .

#### **Extraordinary Audit**

The Minister for Communities directed the Local Government Auditor to hold an extraordinary audit of Causeway Coast and Glens Borough Council concentrating on land disposals and easements and related asset management policies and procedures.

Northern Ireland’s Local Government Auditor (LGA) published a report on the 7<sup>th</sup> July 2022 summarising the findings of an extraordinary audit of Causeway Coast and Glens Borough Council.

It details the findings and recommendations emanating from the audit of land disposals and easements since the Council was formed in April 2015. At a Special Council Meeting held on 26<sup>th</sup> July 2022 the Council resolved:

*‘That this Council accepts the findings contained within the extraordinary audit. That this Council immediately moves to implement all eight recommendations contained within the Extraordinary Audit. That the Ministerial Letter of the 7<sup>th</sup> July 2022 be*

*responded to confirming all the above and an action plan be completed by the 8<sup>th</sup> August 2022 that shows how the Auditor's recommendations will be fully implemented by 30 December 2022'.*

The following actions were taken to address the recommendations:

- In line with Departmental advice, Council approved the appointment of an independent advisor to assist and support Council in the delivery of the Action Plan.
- Independent consultants were appointed to undertake an independent Council wide review of governance arrangements, detailed review of all of its land related policies and procedures to ensure that all policies comply with the legislation and guidance and a review of its procedures to ensure adequate records are used to support decision making.
- Review of procedures to ensure adequate records are used to support decision making.
- Elected Members mandatory training in the areas of fraud and scrutiny & challenge.
- Council appointed the Local Government Staff Commission to lead on recommendations 6 & 7 contained within the extraordinary audit report.

Following the Special Council Meeting on the 20 February 2023 the Mayor wrote to the Department for Communities providing copies of all of the reports and seeking an extension to the timetable to complete the work until the 4 April 2023. The Department agreed to the extension.

At the Special Council meeting on the 27 March 2023 the Council resolved:

*'That Council accept the Findings in these reports in full. Furthermore, that an implementation oversight panel is established (similar to what was taken forward with the Planning Review) to oversee the resolution of the issues outlined in these reports; to produce and progress an Action Plan and the implementation of these associated recommendations; the membership of 6 Elected Members by d'Hondt and a representative from the Department for Communities who have ultimate oversight authority to make sure there is change throughout this organization and that it is overseen and engaged with'.*

Council agreed to send the reports to the Department for Communities (DfC) and to note that progress continues to be made in respect of Recommendations 6 and 7 of the extraordinary audit.

At the Special Council meeting on the 30 October 2023 Council resolved:

*'That Council agree to implement all of the recommendations arising from the Reviews to address the recommendations from the Extraordinary Audit and to set these out as a comprehensive Transformation Programme to ensure that the matters that led to the Extraordinary Audit will not reemerge. Specifically,*

*1. To set up an Implementation Oversight Panel to oversee the Transformation Programme and its implementation.*

*2. As a priority, to engage the Local Government Staff Commission to undertake the review of the Senior Leadership structure and the Organisational 'Health Check'.*

*3. To appoint an Independent Implementation Oversight Adviser to oversee the programme of work, Chairing an Implementation Steering Group and provide quarterly reports to the Department for Communities.'*

In correspondence from the Permanent Secretary for the Department for Communities (DfC) the Department corresponded as follows:

*'In terms of the Department's responsibilities, the Department is primarily responsible for setting the administrative and financial framework within which District Councils operate. It also sets the governance (both democratic and corporate) and accountability framework. The Department has a range of intervention powers available to it, primarily set out in the Local Government Act (NI) 2014 and the Local Government (NI) Order 2005. These are listed at Appendix 1.*

*At this stage, having identified the range of options available, I consider Council should be given the opportunity to demonstrate clear implementation of all the recommendations arising from the various completed independent reports and any reports on these issues still to be completed before I conclude on what, if any, further intervention is required.*

*I want to take this opportunity to emphasise that if the Council fail to adequately address the issues raised, within a suitable time frame, I will not hesitate to initiate further interventions, including a further follow up Audit by the Local Government Auditor to evaluate the extent to which the Council has achieved implementation of the recommendations. As regards a suitable timeframe, I would expect all the recommendations to be implemented by 30 October 2024.*

*I believe it would be helpful for the Council to consider the appointment of an Independent Oversight Implementation Advisor to Chair an Oversight Steering Group to take forward the actions and ensure implementation of all the recommendations.'*

Position as of June 2024

The Governance arrangements in place enable the successful implementation of the Transformation Action Plan are focused on an agreed framework of regular meetings and review sessions.

Council has developed a Transformation Action Plan consisting of 103 separate recommendations emanating from the Extraordinary Audit Reports. These recommendations have been categorised into six different themes and are all led by a Member of Council's Senior Management Team. This Action Plan is the central document and monitoring tool which enables reporting and performance analysis of Council's response to the 103 recommendations. As of June 2024, 96% of the Actions are classified as being either On Course or Complete.

Key Meetings

The first meeting of the Implementation Oversight Panel was held on Monday 12th February 2024. A Chair and Vice Chair were nominated from within the six Elected Members who make up the Oversight Panel. This Oversight Panel continues to meet on a monthly basis and operates as a sub-committee of Council's Corporate Policy

and Resources Committee, through which reports and decisions are recommended to Full Council.

Secondly, the first meeting of the Implementation Steering Group took place on Monday 5th February 2024. These meetings continue monthly and report to the Implementation Oversight Panel. The appointed Independent Advisor Chairs this meeting.

Thirdly, weekly meetings of the Officer led Implementation Working Group have continued, with these ensuring a regular focus on progress. These meetings are Chaired by the Chief Executive.

In terms of reporting a Transformation Action Plan update report is submitted to each monthly Implementation Oversight Panel meeting as well as Council's Audit Committee on a Quarterly basis. These are supported by Quarterly Assurance Statement reports from the appointed Independent Advisor.

These subsequent update reports recommended at Council's Audit Committee are submitted to the Minister, Department for Communities. This forms the formal element of quarterly reporting to DfC.

Engagement and update meetings continue between the Department for Communities, the Independent Advisor and Council. These meetings occur on a monthly basis and provide an opportunity for engagement, challenge and progress reporting.

## **High Court Injunction**

Council and four senior officials have obtained an interim injunction preventing the publication of details of secret recordings made at Council offices. The order was made at the High Court in proceedings brought against persons unknown. Proceedings continue in order to recover costs incurred by Council.

## **2. Finance and Financial Resilience**

Finance continues to be listed as a key corporate risk on the corporate risk register. The Northern Ireland Audit Office (NIAO) has identified Financial Resilience as a significant risk for the 2023/24 annual financial audit. The cost of living crisis and high inflation rates, during 2023-24, continued to impact on council finances. There are continuing challenges for councils to deliver a balanced budget within the current environment. Costs have increased in multiple areas, such as utilities, construction, and pay settlements although Council has seen these pressures reduce slightly during 2023-24.

Council will continue to seek ways to maximize available cost savings and increase income generation opportunities.

The Medium Term Financial Plan was approved by Council in October 2023, this Plan will be revised annually following Rates setting, the next version is due to be presented to Council in September 2024.

In addition to the general fund, Council have established a number of reserves, including a Covid Recovery Reserve, a financial recovery Reserve, Reorganisation Reserve and a Repair and Renewal Fund.

A new finance system has gone into operation on 1 April 2023 which will streamline operational processes and generate real time reports.

### **3. Digital and Cyber Security**

Cyber security is recognised as a risk for Council, both in terms of protecting citizens' data and maintaining the availability of council services. Skilled ICT staff work to ensure industry best practices are followed. This includes physical security of the buildings and server rooms. Technical controls with malware detection and response, next-gen firewalls, web and email scanning and vulnerability remediation. Access to data and services is always based on least required privilege. Policies and procedures are regularly reviewed to ensure appropriate administrative controls and advice for users is in place.

We propose over the coming year to take steps to continue to address recommendations and matters raised further enhance our compliance with governance and health and safety regulations. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

**Signed**

Clerk and Chief Executive  
Causeway Coast and Glens Borough Council

Date xx June 2024

**Signed**

Mayor of the Council  
Causeway Coast and Glens Borough Council

Date xx June 2024